Financial Statements and the Board's Report on Operations

1.1.–31.12.2021

Nurminen Logistics

Index

The Board's Report on Operations

The year 2021 was a year of profitable and strong growth for the company. Net sales increased by 75 % to EUR 141.3 million and net operating result rose to EUR 9.6 million. Strong growth in the railway logistics business continued throughout the year and increased the share of business operations in Finland to over 50 % of the Group's net sales for the first time. Increasing the number of route options and train departures, increase in cargo prices, internationalisation and expansion of the customer base contributed to the growth.

Nurminen Logistics' operating ability remained good in spite of the strongly changing external circumstances, and the company was able to meet customers' transport needs due to the timely procurement of containers and opening of new railway routes. The container shortage, port blockages and high freight prices that shook transport chains globally promoted customers' transition to fast and ecological railway service. By continuously procuring containers, the company will continue to be able to secure customer deliveries and lower the average costs as the container situation continues to be challenging.

The company's unique position in railway logistics between Asia and the Nordic countries is bearing fruit and also facilitates future growth. Nurminen Logistics operates as both a railway operator and forwarder in international railway operations. There are only a few operators of this kind in Europe. Nurminen Logistics' improved awareness and position in the international railway market have made it possible to open new routes with manageable risks and expansion of the market area into the other Nordic countries, where net sales have already increased to around EUR 10 million in less than a year. Underlying the strong growth are premium operational expertise, active sales efforts, scalable operating model and market knowledge. In the future, the route offering will also be expanded into Central Europe under the Nurminen Nordic Hub concept. The Nurminen Nordic Hub concept offers an excellent location between Europe and Asia and functions as a logistics hub for flows of goods and information management.

In accordance with its mission, Nurminen Logistics offers its customers logistics solutions that promote sustainable development. In product and service development, Nurminen Logistics focused on digital services, launching a new customer portal for railway customers. Emissions reporting accounted in accordance with SFS-EN 16258 was deployed for all main routes of traffic between Europe and Asia at the end of the year. The emissions accounting is based on an accounting model implemented by an external consulting company specialised in the development of sustainable business, and it is reported separately for each shipment.

The Cargo business continued its positive development with significant new product and customer launches. In accordance with the strategy, customer accounts concentrating exclusively on storage were omitted from the terminals and operations focused on handling fast-moving goods and on multimodal and added value services. The change in the operating method and focusing the customer base have improved profitability, and the year was clearly profitable for the business for the first time.

In the autumn, the Multimodal business established from the Forwarding and Outsourcing businesses got off to a good start. During July–December, the company built its subcontracting network in the Baltic Sea region in accordance with the Nurminen Nordic Hub concept to forwarding deliveries from Asian trains further to the other Nordic countries. A cooperation agreement on container block train service and associated ship connections and additional services in the market between Asia and Northern Europe was signed with Stena Group in December. The demand for multimodal services continues to be good, and the feed effect of railway logistics supports growth in operations.

The favourable development of the Baltic functions levelled off during the second half of the year due to geopolitical reasons. As a whole, the year was very strong.

Net sales for July–December increased by 77 % to EUR 78.3 million (EUR 44.2 million) year-on-year and by 24 % compared to January–June. Strong development in the Chinese and Asian container block train business was the driver of the increase in net sales. The operating result was EUR 5.9 million (EUR 0.3 million), or 7.6 % of net sales (0.7 %). The operating margin improved in January–June (5.9 %) and operations continued to be profitable in all business groups.

Market situation and future outlook

The railway market between China and Europe developed favourably. For the first time, the volume of containers transported by rail exceeded one million containers, of which the millionth container was in fact Nurminen's. Intermittent problems with maritime traffic increased the appeal of railway transport deliveries. The decrease in air traffic made railways comparable in terms of speed and availability. In addition, the increased significance of environmental values supported the growth of railway services due to their low CO2 emissions. The demand for logistics services continued to be high throughout the period under review.

Without the additional checks at the Chinese border due to the Covid-19 pandemic, the railway volume growth would have probably been even faster. In the main market areas of Nurminen Logistics, China and Northern Europe, the economic outlook continues to be positively stable, which supports the prerequisites for growing the business further.

Nurminen Logistics estimates that good development will continue in the economy and logistics market, the impacts of the Covid-19 pandemic will decrease and the world economy will continue to grow. The prolongation of the war in Ukraine and the permanent change of intenational social order may affect global logistical routes.This kind of a change may disadvantage the Asian container block train business.

Growth in the importance of environmental values to our customers and consumers alike will support the competitiveness of low-emission railway connections to China and their importance to the supply chains of our close-by areas compared to other forms of transport. Tightening regulation (such as the EU taxonomy) and increase in the costs of fossil fuels will accelerate the transition to lower-emission transport. Container transports by rail are here to stay in transports between Asia and Europe, and they will take an increasing share of the value of commerce. This is supported by the need for faster turnover of working capital and more accurate planning of the size of consignments as inflation and interest rates are increasing.

Nurminen Logistics' active launch of new service concepts, internationalisation, growth in the clientele and its structural change decrease the company's dependence on the Finnish economy. The importance of forest and chemical industry clients that used to be significant in previous years has decreased. Traffic between Finland and Russia is not significant to the company.

The requirements set for the functioning of supply chains and increasing regulation increase customers' need for professional terminal and multimodal services in international trade.

Business review

The profitability of Nurminen Logistics improved as a result of successful sales, new services and expansion of the market area. Achieving the strategic objectives also required discontinuing certain unprofitable services.

Net sales from the Chinese and Asian container train business increased by 395 % in 2021. The new routes and increase in cargo prices early in the year drove the growth. The expansion into the Nordic market was particularly reflected in growth towards the end of the year. The development of operational activity was also seen as improved profitability. The Chinese and Asian container block train operations account for 33 % (12 %) of the Group's net sales.

The Multimodal (formerly Forwarding business and Outsourcing) business continued to be profitable throughout the year. Comparable net sales increased by 10 % year-on-year and operations continued to be profitable. Multimodal services account for 8 % (15 %) of the Group's net sales.

Net sales in the Cargo business grew by 9 % in 2021. The growth in net sales accelerated towards the end of the year due to new customer accounts. The operating result was positive for the first time. Cargo services account for 10 % (17 %) of the Group's net sales.

The net sales of the Baltic operations increased, thanks to Lithuania, and profitability was at a good level. The Baltic operations account for 48 % (56 %) of the Group's net sales.

Investments in increasing sales in Sweden in particular were continued, and new significant customer accounts started already in 2021.

Covid-19 pandemic

Nurminen Logistics' development has been favourable, even though the Covid-19 situation slowed down the company's international sales. Operating activities and development projects progressed without major problems caused by the pandemic.

Financial Position and Balance Sheet

Cash flow from operating activities amounted to EUR +7.9 million. January–June accounted for EUR +2.0 million and July–December for EUR +5.9 million of the cash flow from operating activities. The change in working capital had an impact of EUR -3.1 million on the cash flow from operating activities.

Cash flow from investing activities amounted to EUR -0.5 million. The cash flow from investing activities was affected by the transfer tax for the acquisition of shares in the Vuosaari real estate company as well as the investments in information systems and digitalisation.

Cash flow from financing activities amounted to EUR -4.8 million, with the most significant items affecting it being the repayment of EUR 5.0 million prematurely to Ilmarinen Mutual Pension Insurance Company and withdrawal of a EUR 3.5 million loan from the Oma Savings Bank. In addition, the company repaid EUR 1.6 million of its other loans. The cash flow from financing activities included EUR 0.5 million of non-recurring expenses associated with the directed share issue announced on 7 December 2020.

At the end of the review period, cash and cash equivalents amounted to EUR 7.0 million. Cash and cash equivalents attributable to the Baltic operations amount to EUR 4.9 million.

The measurement of the assets in the financial statements is based on the going concern assumption and market prices, and the assets do not involve a risk of write-downs in the current situation. The management of the company estimates that the operating cash flow will cover the current business needs and liabilities for the next 12 months.

The Group's interest-bearing debt excluding IFRS 16 liabilities amounted to EUR 20.0 million. The liabilities according to IFRS 16 totalled EUR 9.9 million, of which EUR 7.2 million was connected to the land and civil defence shelter leases of the Vuosaari real estate company. The land lease liability does not have a negative impact on the value of the property. All of the buildings in the Vuosaari port area are located on plots leased from the City of Helsinki.

Current interest-bearing liabilities of the company, a total of EUR 2.6 million, consist of IFRS lease liabilities of EUR 0.7 million and bank loans of EUR 1.9 million. Non-current interest-bearing liabilities are EUR 34.3 million, of which EUR 25.1 million consists of long-term debt and EUR 9.2 million is connected to lease liabilities according to IFRS 16. Nurminen Logistics has an equity-based hybrid bond from Ilmarinen, amounting to EUR 1.3 million. In May, Ilmarinen informed that it will convert this bond into shares. The shares were registered with the Finnish Trade Register in July 2021.

Long-term loans amount to EUR 25.1 million, of which a loan of EUR 7.6 million from Ilmarinen will mature in June 2023. In addition, long-term loans include a loan of EUR 15.9 million taken out by Kiinteistö Oy Helsingin Satamakaari 24 from Oma Savings Bank and a loan of EUR 3.5 million taken out by Nurminen Logistics Plc from Oma Savings Bank.

The company's equity amounted to EUR 25.8 million at the end of the year, while it was EUR 13.8 million at the end of the previous financial period. The equity ratio improved to 31.7 % (20.9 %) as a result. The balance sheet total was EUR 81.7 million.

Capital Expenditure

The Group's gross capital expenditure during the review period amounted to EUR 0.3 million (EUR 8.8 million), accounting for 0.2 % of net sales. Depreciation totalled EUR 3.0 million (EUR 5.0 million), or 2.1 % (6.2 %) of net sales. Amortisation of right-of-use assets associated with IFRS 16 amounted to EUR 0.8 million (EUR 4.1 million).

Group Structure

The Group comprises the parent company, Nurminen Logistics Plc, as well as the following subsidiaries and associated companies, owned directly or indirectly by the parent (ownership, %): Nurminen Logistics Services Oy (100 %), RW Logistics Oy (100 %), Kiinteistö Oy Kotkan Siikasaarentie 78 (100 %), Kiinteistö Oy Luumäen Suoanttilantie 101 (100 %), Kiinteistö Oy Vainikkalan Huolintatie 13 (100 %), Kiinteistö Oy Helsingin Satamakaari 24 (51 %), NR Rail Oy (51 %), Pelkolan Terminaali Oy (20 %), OOO Nurminen Logistics (100 %), Nurminen Maritime Latvia SIA (51 %), Nurminen Maritime UAB (51 %).

PFC Nordic Oy merged into Nurminen Logistics Services Oy in November 2021.

Personnel and Management

At the end of the review period, the Group had 140 employees, compared with 150 on 31 December 2020. The number of employees working abroad was 34.

Personnel expenses in 2021 totalled EUR 8.6 million (EUR 8.4 million in 2020).

Joonas Louho, VP Cargo Operations, and Olga Stepanova, VP Railway Operations and Country Manager Russia, were appointed as members of Nurminen Logistics' Management Team as of 1 September 2021. On 31 December 2021, the Management Team consisted of the following members: Olli Pohjanvirta, President and CEO, Iiris Pohjanpalo, CFO, Jonna Paasonen, CDO, Joonas Louho, VP Cargo Operations and Olga Stepanova, VP Railway Operations and Country Manager Russia. In addition, during the financial period the Management Team included Petri Luurila, CIO from 1 January to 31 August 2021 and Ari Soinola, VP operations and development from 8 March to 8 November 2021.

Suvi Kulmala was appointed as a member of the Management Team in November, starting as VP Human Resources and member of the Management Team on 10 January 2022. In December, COO Tuomas Kansikas was appointed as a member of the Management Team as of March 2022 with responsibility for the Multimodal business and the Group's support functions. The head of the Cargo business unit will also report to him.

Managers' Transactions

On 15 April 2021, Nurminen Logistics Plc announced CIO Petri Luurila's subscription notification concerning 22,000 shares at a unit price of EUR 1.32 per share.

On 28 July 2021, Nurminen Logistics announced the remuneration in shares for the Board of Directors. Irmeli Rytkönen, Chairman of the Board of Directors subscribed for 26,432 shares, Juha Nurminen, member of the Board of Directors subscribed for 13,216 shares, Olli Pohjanvirta, member of the Board of Directors subscribed for 13,216 shares, Alexey Grom, member of the Board of Directors subscribed for 13,216 shares, Victor Hartwall, member of the Board of Directors subscribed for 13,216 shares, Karri Koskela, member of the Board of Directors subscribed for 13,216 shares and Erja Sankari, member of the Board of Directors subscribed for 13,216 shares at a unit price of EUR 1.135 per share.

On 14–16 September 2021, Nurminen Logistics announced Board member Victor Hartwall's subscription notifications concerning 23,699 shares at an average price of EUR 1.1298 per share, 54,277 shares at an average price of EUR 1.1158 per share, 4,840 shares at a unit price of EUR 1.1225 per share, 6,453 shares at a unit price of EUR 1.1225 per share, 62,095 shares at an average price of EUR 1.117 per share, 12,714 shares at an average price of EUR 1.1584 per share and 1,492 shares at a unit price of EUR 1.150 per share.

On 19 October 2021, the company announced Board member Juha Nurminen's subscription notification concerning 181,818 shares at a unit price of EUR 1.12 per share and President and CEO Olli Pohjanvirta's related company ETL Invest Oy's transfer notification concerning 181,818 shares at a unit price of EUR 1.12 per share.

Flagging Notifications

During January 2021, Nurminen Logistics received several notifications pursuant to chapter 9, section 5 of the Finnish Securities Markets Act after the new shares issued in the directed share issue announced on 7 December 2020 had been registered with the Trade Register on 31 December 2020. The notifications were received on 4 January, 5 January and 7 January.

On 13 July 2021, Nurminen Logistics received a flagging notification from Ilmarinen Mutual Pension Insurance Company, the direct holding of which increased to a total of 15.12 % as a result of the conversion of the EUR 1.3 million hybrid bond into shares, but overall holding decreased from 16.46 % to 15.12 %.

All notifications have been disclosed as stock exchange releases and they are available on Nurminen Logistics' website at www.nurminenlogistics.com.

Shares and Shareholders

Nurminen Logistics Plc's share has been quoted on the main list of Nasdaq Helsinki Ltd under the current company name since 1 January 2008. The total number of Nurminen Logistics Plc's registered shares on 31 December 2021 was 77,194,190 and the registered share capital was EUR 4,214,521. The company has one share class and all the shares carry equal rights in the company. The company name was Kasola Plc until 31 December 2007. The company was listed on the Helsinki Stock Exchange in 1987.

Trading in the 29,344,954 shares subscribed for in the directed share issue of December 2020 commenced on 29 April 2021.

Largest shareholders 31 December 2021

	Number of shares	Share of shares and votes
Suka Invest Oy	12,485,655	16.17
Ilmarinen Mutual Pension Insurance Company	11,655,795	15.10
K. Hartwall Invest Oy Ab	8,105,390	10.50
Nurminen Juha Matti	6,665,248	8.63
Avant Tecno Oy	5,739,375	7.44
JN Uljas Oy	3,231,206	4.19
Ruscap Oy	3,110,574	4.03
Verman Group Oy	2,524,297	3.27
Assai Oy	1,858,540	2.41
H. G. Paloheimo Oy	1,765,386	2.29
Ten largest shareholders total	57,141,466	74.02
Nominee-registered	938,773	1.22
Others	19,113,951	24.76
Total	**77,194,190**	**100**

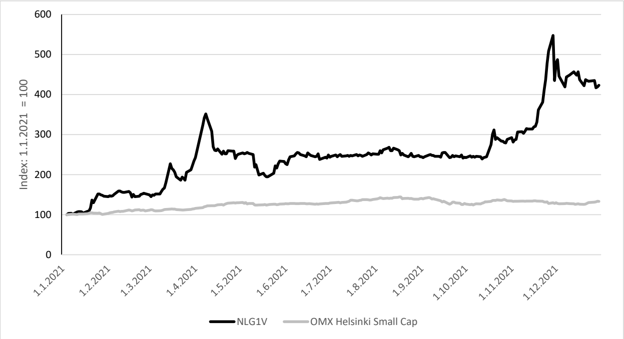
Shareholders by type 31 December 2021

	Number of shares	% of total shares
Private companies	39,952,916	52 %
Financial and insurance institutions	5,025,576	7 %
Public sector organisations	11,655,795	15 %
Households	19,389,863	25 %
Non-profit organisations	2,803	0 %
Foreign	228,464	0 %
Nominee-registered	938,773	1 %
Total	**77,194,190**	**100 %**

The trading volume of Nurminen Logistics Plc's shares was 20,779,826 during the period from 1 January to 31 December 2021, representing 26.9 % of the total number of shares. The value of the turnover was EUR 27,459 thousand. The lowest price during the period was EUR 0.39 per share and the highest EUR 2.85 per share. The closing price for the period was EUR 1.96 per share and the market value of the entire share capital was EUR 150,915 thousand, or EUR 150,787 thousand excluding treasury shares, at the end of the period. At the end of 2021, the company had 4,095 shareholders. At the end of 2020, the number of shareholders stood at 1,580.

At the end of 2021, the company held 65,262 of its own shares, corresponding to 0.08 % of shares and votes.

Nurminen Logistics share price development 1 January – 31 December, 2021



According to the register of shareholders at 31 December 2021, the Board of Directors (including ownership of controlled entities) held 29.6 of Nurminen Logistics shares. Other members of the company's Management Team than President and CEO Olli Pohjanvirta did not hold shares on 31 December 2021.

Board	Number of shares	% of total shares and votes
Juha Nurminen	6,665,248	8.6
JN Uljas Oy	3,231,206	4.2
Total	9,896,454	12.8
Olli Pohjanvirta	631,016	0.8
RusCap Oy	3,110,574	4.0
VGK invest Oy	648,000	0.8
Total	4,389,590	5.7
Victor Hartwall	13,216	0.0
Oy Pallas Capital Ab	70,000	0.1
K Hartwall Invest Oy	8,105,390	10.5
Total	8,188,606	10.6
Irmeli Rytkönen	111,664	0.1
Alexey Grom	213,254	0.3
Karri Koskela	13,216	0.0
Erja Sankari	13,216	0.0
Total	**22,826,000**	**29.6**

Dividend Policy

The company's Board of Directors has on 14 May 2008 determined the company's dividend policy. According to it, Nurminen Logistics Plc aims to annually distribute as dividends approximately one-third of its net profit, provided that the company's financial position allows this.

Arrangements Related to Ownership and Exercise of Voting Rights

No shareholder agreements related to holdings in Nurminen Logistics Plc and the exercise of voting rights have been brought to the company's attention with the exception of the announcement that was published in the stock exchange release of 28 December 2008. According to the announcement, the members of the Board of Directors and Executive Board have undertaken not to sell or otherwise transfer shares in John Nurminen Ltd owned by them on this date and the company's shares received as demerger consideration in conjunction with the demerger of John Nurminen Ltd, without prior written consent from the company's Board of Directors.

Decisions Made by the Annual General Meeting of Shareholders

Nurminen Logistics Plc's Annual General Meeting held on 12 April 2021 passed the following decisions:

Adoption of the annual accounts and discharge from liability

The General Meeting adopted the annual accounts, reviewed the remuneration report of the administrative organs and discharged those accountable from liability for the financial year 1 January–31 December 2020.

Payment of dividend

The Annual General Meeting approved the Board of Directors' proposal not to distribute dividend for the financial period 1 January–31 December 2020.

Composition and remuneration of the Board of Directors

The General Meeting resolved that the Board of Directors is composed of seven members. The General Meeting re-elected the following members to the Board of Directors: Olli Pohjanvirta, Juha Nurminen, Irmeli Rytkönen and Alexey Grom. Victor Hartwall, Erja Sankari and Karri Koskela were elected as new members of the Board of Directors.

The General Meeting resolved that for the members of the Board elected at the General Meeting for the term expiring at the close of the Annual General Meeting in 2022, the remuneration is paid as follows: annual remuneration of EUR 60,000 for the Chairman and EUR 30,000 for the other members of the Board.

In addition, a meeting fee of EUR 1,500 per meeting for the Board and Board Committee meetings is paid to the Chair of the Board of Directors, EUR 1,000 per meeting to each member of the Board living in Finland and EUR 1,500 per meeting to each member of the Board living outside Finland per meeting providing physical attendance, otherwise the meeting fee is EUR 1,000. Of the annual remuneration, 50 % will be paid in Nurminen Logistics Plc's shares and the rest in cash. A member of the Board of Directors may not dispose of shares received as annual remuneration before a period of three years has elapsed from receiving shares.

Authorising the Board of Directors to decide on the issue of shares as well as the issuance of options and other special rights entitling to shares

The Annual General Meeting authorised the Board to decide on the issue of shares and/or special rights entitling to shares as referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act.

Based on the authorisation, the Board of Directors is entitled to issue or transfer, either by one or several resolutions, shares and/or special rights up to a maximum equivalent of 1,500,000 new shares so that aforesaid shares and/or special rights could be used, e.g., for financing of company and business acquisitions or for financing of other business arrangements and investments, for the expansion of the ownership structure, paying of remuneration of the Board members and/or for the creating incentives for, or encouraging commitment in, personnel.

The authorisation entitles the Board of Directors to decide on the share issue with or without payment. The authorisation for deciding on a share issue without payment also includes the right to decide on the share issue for the company itself, so that the authorisation may be used in such a way that in total no more than one-tenth (1/10) of all shares in the company may from time to time be held by the company and its subsidiaries.

The authorisation includes the Board of Director's right to decide on all other terms and conditions of the share issues and the issues of special rights. The authorisation entitles the Board of Directors to decide on share issues, issues of option rights and other special rights entitling to shares in every way to the same extent as could be decided by the General Meeting, including the Board of Director's right to decide on directed share issues and/or issue of special rights.

The authorisation remains valid until the end of the following Ordinary General Meeting, yet no longer than until 30 June 2022. The authorisation revokes any previous share issue authorisations currently valid.

Auditor

Ernst & Young Oy was elected the auditor of the company for the term ending at the close of the Annual General Meeting 2022.

Environmental Factors

Nurminen Logistics seeks environmentally friendly and efficient transport solutions as part of the development of its services. Research shows that the container train to China is the most ecological method of transporting goods between China and Europe.

All services provided by the company in Finland are covered by a certified environmental management system that meets the requirements of the ISO 14001:2004 standard.

Long-Term Financial Objectives

The Board of Directors has set the company's long-term financial objectives. The long-term objectives of Nurminen Logistics are to achieve a growth rate that is higher than that of the markets in general, a net operating profit level of 7 % and a return on equity of 12 %.

During 2021, the Board of Directors set the objectives for 2021–2023 based on the market outlook, the company's market position and competitive advantage. The goal is to reach net sales of EUR 200 million and net operating result of a minimum of 9 % of net sales.

Short-Term Risks And Uncertainties

World trade weakening from the current situation as a consequence of the pandemic continuing or tightening of the geopolitical situation may have a negative impact on the demand for the company's services and thereby result. If the foreign trade of Finland, China or Sweden decreases, it may have an impact on the demand for services.

The container train to China business that is important to the company has been growing in recent years, but the Covid-19 disease situation worsening again can cause temporary functional difficulties to it due to shutdowns of customers' production plants or inland transport restrictions, for example.

Sanctions imposed due to the war in Ukraine may affect the company's operations. The effects are expected to remain moderate, because the customer base of the China and Asia trains is not Russian. Impacts of sanctions targeting transit traffic would not negatively affect Russian, but European and Asian companies.

More detailed information about the risk information of the company can be found on the Investors page on Nurminen Logistics' website at https://www.nurminenlogistics.com/investors/.

Events After the Review Period

On 1 February 2022, Nurminen Logistics announced the decision of the company's Board of Directors to, pursuant to the authorisation granted to it by the Annual General Meeting held on 12 April 2021, to issue 774,386 new shares in the Company to the Company itself without consideration in accordance with chapter 9, section 20 of the Finnish Limited Liability Companies Act (624/2006, as amended). The total number of the Company's shares after the share issue is 77,968,576 shares, of which 839,648 shares in total are held by the Company. The shares were registered with the Finnish Trade Register on 15 February 2022 and transferred to the President and CEO as the President and CEO's share-based remuneration on 16 February 2022. Following the transfer, the company holds 65,262 of its own shares.

As a result of of the increase in the total number of shares, on 15 February 2022 Nurminen Logistics received a flagging notification from Ilmarinen Mutual Pension Insurance Company, the direct holding of which decreased from a total of 15.12 % to 14.95 %.

The invasion of Russian forces to Ukraine on 24 February, 2022 has increased geopolitical tensions. Sanctions imposed due to the war in Ukraine may affect the company's operations. The effects are expected to remain moderate, because the customer base of the China and Asia trains is not Russian. Impacts of sanctions targeting transit traffic would not negatively affect Russian, but European and Asian companies.

Board of Directors' Proposal For Profit Distribution

On 31 December 2021, the parent company's distributable equity is EUR 31,731,856.32, of which the profit for the period amounted to EUR 4,662,387.55. The Board of Directors proposes that a dividend of EUR 0.019 be paid using the distributable profits available to the Annual General Meeting to each of the 77,903,314 shares outstanding, with the dividend totalling EUR 1,480,162.97. The remaining distributable assets will be retained in unrestricted equity.

The Board proposes that the dividends be paid in two instalments, first instalment on 22 April, 2022. All the shares existing on the dividend record date 13 April, 2022 are entitled to dividend for the year 2021 except for the own shares held by the parent company. The record date of the second instalment is to proposed to be 9 September, 2022 and the instalment is to be paid on 16 September, 2022.

Corporate Governance Statement

The Corporate Governance Statement of Nurminen Logistics Plc will be published on 3 March 2022 on the company's website at https://www.nurminenlogistics.com/investors/.

Board and Audit Committee Meetings

The Board of Directors convened 25 times during the year 2021. The Audit Committee had six meetings.

Bridge calculation of comparable net sales

1,000 EUR	1–12/2021	1–12/2020
Net sales	141,254	80,707
PFC Nordic Oy*		–2,123
Comparable net sales	141,254	78,584

* PFC Nordic had no net sales in 2021

Group's Key Figures

	2019	2020	2021
Net sales, EUR 1,000	69,340	80,707	141,254
Increase in net sales, %	–12.1 %	16.4 %	75.0 %
Operating result (EBIT), EUR 1,000	–8,517	–206	9,625
% of net sales	–12.3 %	–0.3 %	6.8 %
Result before taxes, EUR 1,000	–10,864	–2,438	7,825
% of net sales	–15.7 %	–3.0 %	5.5 %
Result for the financial year, EUR 1,000	–11,433	–2,837	13,776
% of net sales	–16.5 %	–3.5 %	9.8 %
Return on equity (ROE), %	–163.9 %	–38.8 %	69.5 %
Return on investment (ROI), %	–22.4 %	–0.4 %	16.7 %
Equity ratio %	1.5 %	20.9 %	31.7 %
Gearing %	4849.1 %	266.1 %	115.9 %
Gearing % excluding IFRS 16	1517.0 %	189.4 %	77.1 %
Interest-bearing net debt, 1 000 EUR	38,948	36,759	29,914
Interest-bearing net debt excluding IFRS 16, 1 000 EUR	9,768	26,293	20,027
Gross investments, EUR 1,000	722	8,827	341
% of net sales	1.0 %	10.9 %	0.2 %
Balance sheet total, EUR 1,000	52,088	66,179	81,705
Average number of employees	176	163	145
Wages and salaries paid, EUR 1,000	9,196	8,430	8,558
Share key figures			
Earnings per share (EPS), EUR, undiluted	–0.29	–0.09	0.16
Earnings per share (EPS), EUR, diluted	–0.29	–0.09	0.15
Equity per share, EUR	–0.02	0.05	0.20
Dividend per share, EUR	0.00	0.00	0.019
Dividend to earnings ratio, %	0.0 %	0.0 %	12.7 %
Effective dividend yield, %	0.0 %	0.0 %	1.0 %
Repayment of equity per share, EUR	0.00	0.00	0.00
Price per earnings (P/E)	–1	–5	12
Number of shares adjusted for share issue (diluted), weighted average	44,304,976	44,652,887	77,843,064
Number of shares adjusted for share issue (diluted), at end of financial year	44,538,914	74,147,405	77,903,313
Number of shares adjusted for share issue (undiluted), weighted average	44,304,976	44,652,887	75,540,173
Number of shares adjusted for share issue (undiluted), at end of financial year	44,538,914	74,147,405	77,128,928
Share price development			
Share price development			
Highest price	0.44	0.50	2.85
Lowest price	0.26	0.20	0.39
Average price	0.30	0.31	1.16
Closing share price at balance sheet date	0.27	0.45	1.96
Market capitalisation, MEUR	11.9	33.1	150.9
Number of shares traded	1,802,568	6,891,409	20,779,826
Shares traded, % of total number of shares	4.0 %	9.3 %	25.0 %
Number of shareholders	1,320	1,580	4,095

Key figures for the parent company

Key figures for business

	2019	2020	2021
Net sales, 1,000 EUR	2,203	3,018	3,434
Operating result, (EBIT) 1,000 EUR	–1,345	192	–1,088
Adjusted operating result, (EBIT) 1,000 EUR*			174
% of net sales	–61.1 %	6.4 %	–31.7 %
Adjusted % of net sales*			5,1 %
Result for the financial year, 1,000 EUR	–3,835	1,604	4,662
Adjusted result for the financial year, 1,000 EUR**			742
% of net sales	–174.1 %	53.2 %	135.8 %
Adjusted % of net sales**			21.6 %
Return on equity (ROE) %	–16.4 %	5.9 %	13.2 %
Return on investment (ROI) %	–7.3 %	5.4 %	0.6 %
Adjusted Return on investment (ROI) %*			3.2 %
Equity ratio %	51.8 %	60.7 %	68.1 %
Gearing %	54.3 %	36.4 %	28.0 %
Wages and salaries paid, EUR 1,000	1,292	1,389	2,705
Adjusted Wages and salaries paid, EUR 1,000*			1,443
Average number of employees	15	14	15

* The comparability to other financial periods has been taken into considerations with the key figures. Adjusted figure includes non-recurring management remuneration that is not part of normal business operations.

** Adjusted figure includes non-recurring management remuneration, group contribution and change in deferred tax assets.

Calculation of Key Figures

Return on equity, % =
$$\frac{\text{Result for the year}}{\text{Equity (average of beginning and end of financial year)}} \times 100$$

Capital employed = Balance sheet total – non-interest bearing liabilities

Return on capital employed, % =
$$\frac{\text{Result for the year before taxes + interest and other financial expenses}}{\text{Capital employed (average of beginning and end of financial year)}} \times 100$$

Equity ratio, % =
$$\frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$$

Gearing, % =
$$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}} \times 100$$

Gearing (%) exluding IFRS 16 =
$$\frac{\text{Interest-bearing liabilities exluding IFRS 16 - cash and cash equivalents}}{\text{Equity exluding IFRS 16 effect on equity (depreciation, rental expense and interest expense)}} \times 100$$

Interest-bearing net debt = Interest-bearing liabilities – long-term interest bearing receivables – cash and cash equivalents

Interest-bearing net debt excluding IFRS 16 = Interest-bearing liabilities excluding IFRS 16 – long-term interest bearing receivables – cash and cash equivalents

Earnings per share (EPS) =
$$\frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of ordinary shares outstanding}}$$

Equity per share =
$$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Undiluted number of shares outstanding at the end of the financial year}}$$

Dividend per earnings, % =
$$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, % =
$$\frac{\text{Dividend per share}}{\text{Adjusted share price at the end of the financial year}} \times 100$$

Price per earnings (P/E) =
$$\frac{\text{Share price at the end of the financial year}}{\text{Earnings per share}}$$

Dividend per share =
$$\frac{\text{Dividend payable for the reporting period}}{\text{Share issue and conversion-adjusted weighted average number of shares – own shares}}$$

Dividend per share =
$$\frac{\text{Dividend payable for the reporting period}}{\text{Share issue and conversion-adjusted weighted average number of shares – own shares}}$$

Consolidated statement of comprehensive income, IFRS

1,000 EUR	Note	1.1.-31.12.2021	1.1.-31.12.2020
NET SALES	2	**141,254**	**80,707**
Other operating income	3	282	53
Materials and services	4	–109,567	–61,380
Employee benefit expenses	5	–8,558	–8,430
Depreciation, amortisation and impairment losses	6	–2,967	–5,020
Other operating expenses	4	–10,820	–6,136
OPERATING RESULT		**9,625**	**–206**
Financial income	7	248	32
Financial expenses	7	–2,017	–2,261
Share of profit of equity-accounted investees	16	–32	–4
Total financial income and expenses		–1,800	–2,232
RESULT BEFORE INCOME TAX		**7,825**	**–2,438**
Income tax expense	8	5,951	–400
RESULT FOR THE YEAR		**13,776**	**–2,837**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences		–5	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,772**	**–2,835**
Result attributable to			
Equity holders of the parent company		11,798	–4,127
Non-controlling interest		1,979	1,289
Total comprehensive income attributable to			
Equity holders of the parent company		11,793	–4,124
Non-controlling interest		1,979	1,289
Earnings per share calculated from result attributable to equity holders of the parent company			
Earnings per share, undiluted, euro		0.16	–0.09
Earnings per share, diluted, euro		0.15	–0.09

Consolidated statement of financial position, IFRS

1,000 EUR	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	11	37,157	37,766
Right-of-use assets	11,13	9,676	10,383
Goodwill	12,15	899	899
Other intangible assets	12	1,185	1,675
Investments in equity-accounted investees	16	174	205
Receivables	17	21	241
Deferred tax assets	18	6,728	
Non-current assets, total		**55,839**	**51,169**
Current assets			
Inventories		122	87
Trade and other receivables	19	18,709	9,554
Income tax receivables		32	
Cash and cash equivalents	20	7,003	4,471
Non-current assets held for sale			897
Current assets, total		**25,866**	**15,010**
TOTAL ASSETS		**81,705**	**66,179**
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent company	**21**		
Share capital		4,215	4,215
Share premium reserve		86	86
Legal reserve		2,376	2,376
Reserve for invested unrestricted equity		36,838	35,550
Translation differences		–8	–3
Retained earnings		–28,386	–39,494
Hybrid bond			1,250
Equity attributable to holders of the parent company		**15,121**	**3,980**
Non-controlling interest	**10**	**10,683**	**9,833**
Equity, total		**25,804**	**13,814**
LIABILITIES			
Non-current liabilities			
Other liabilities	24	106	159
Financial liabilities	23	25,106	28,918
Finance lease liabilities	23	9,211	9,829
Non-current liabilities, total		**34,423**	**38,907**
Current liabilities			
Current tax liabilities		253	1
Financial liabilities	23	1,924	1,846
Finance lease liabilities	23	676	637
Liabilities of non-current assets held for sale			73
Trade payables and other liabilities	24	18,624	10,903
Current liabilities, total		**21,478**	**13,459**
Liabilities, total		**55,901**	**52,365**
EQUITY AND LIABILITIES, TOTAL		**81,705**	**66,179**

Consolidated cash flow statement, IFRS

1,000 EUR	Note	1.1.–31.12.2021	1.1.–31.12.2020
Cash flow from operating activities			
PROFIT/LOSS FOR THE YEAR		**13,776**	**–2,837**
Adjustments for:			
Depreciation, amortisation & impairment losses	6	2,967	5,020
Unrealized exhange rate gains (–) and losses (+)		–10	43
Other income (–) and expenses (+), non cash		685	60
Financial income (–) and expenses (+)	7	1,768	2,228
Income taxes	8	–5,951	400
Other adjustments		42	24
Cash flow before changes in working capital		**13,277**	**4,937**
Working capital changes:			
Increase (–) / decrease (+) in inventories		–34	
Increase (–) / decrease (+) in non-interest bearing current receivables		–10,028	–1,621
Increase (+) / decrease (–) in non-interest bearing current payables		6,987	2,668
Net cash from operating activities before financial items and taxes		**10,202**	**5,983**
Interest paid		–1,329	–1,717
Interest received		23	32
Other financial items		–469	–323
Income taxes paid		–556	–435
Cash flow from operating activities		**7,870**	**3,540**
Cash flow from investing activities			
Investmests in tangible and intangible assets		–341	–8,827
Sale of tangible and intangible assets		18	234
Acquisition of subsidiary shares		–173	
Cash flow from investing activities		**–497**	**–8,593**
Cash flow from financing activities			
Net change in factoring receivables and liabilities		517	156
Net change of current liabilities		–61	61
Repayment of non-current borrowings		–3,055	–9
Repayment of equity loans			–250
Repayment of finance lease liabilities		–644	–2,329
Dividends paid / repayments of equity to minority shareholders		–1,129	–1,467
Proceeds from share issue		–474	9,329
Cash flow from financing activities		**–4,845**	**5,491**
Net increase / decrease in cash and cash equivalents		**2,529**	**438**
Cash and cash equivalents at the beginning of the year		4,471	4054
Net increase / decrease in cash and cash equivalents		2,529	438
Translation differences of net increase / decrease in cash and cash equivalents		3	–21
Cash and cash equivalents at the end of the year		**7,003**	**4,471**

Consolidated statement of changes in equity, IFRS

1,000 EUR		Equity attributable to equity holders of the parent company									
1–12/2021	Note	Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Hybrid bonds	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity on 1 Jan 2021		**4,215**	**86**	**2,376**	**35,550**	**1,250**	**–3**	**–39,494**	**3,980**	**9,833**	**13,814**
Comprehensive income											
Result for the year								11,798	11,798	1,979	13,776
Other comprehensive income											
Translation differences							–5		–5		–5
Total comprehensive income for the year							**–5**	**11,798**	**11,793**	**1,979**	**13,772**
Business transactions with share holders											
Share-based payments	22							–607	–607		–607
Other changes								–83	–83		–83
Dividends	10									–1,129	–1,129
Total business transactions with share holders								**–690**	**–690**	**–1,129**	**–1,819**
Hybrid bond conversion to shares	21				**1,288**	–1,250			38		38
Equity on 31 Dec 2021		**4,215**	**86**	**2,376**	**36,838**	**0**	**–8**	**–28,386**	**15,121**	**10,683**	**25,804**

1 000 EUR		Equity attributable to equity holders of the parent company									
1–12/2020	Note	Share capital	Share premium reserve	Legal reserve	Reserve for invested unrestricted equity	Hybrid bonds	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity on 1 Jan 2020		**4,215**	**86**	**2,378**	**26,430**	**1,500**	**–6**	**–35,497**	**–894**	**1,695**	**802**
Comprehensive income											
Result for the year								–4,127	–4,127	1,289	–2,837
Other comprehensive income											
Translation differences							3		3		3
Total comprehensive income for the year							**3**	**–4,127**	**–4,124**	**1,289**	**–2,835**
Business transactions with share holders											
Share issue					9,120				9,120		9,120
Interest on hybrid loans after taxes								–48	–48		–48
Share-based payments	22							60	60		60
Other changes				–2				118	116	8,315	8,431
Dividends	10									–1,467	–1,467
Total business transactions with share holders				**–2**	**9,120**			**130**	**9,248**	**6,849**	**16,097**
Change in hybrid bond	21					–250			–250		–250
Equity on 31 Dec 2020		**4,215**	**86**	**2,376**	**35,550**	**1,250**	**–3**	**–39,494**	**3,980**	**9,833**	**13,814**

Notes to the consolidated financial statements, IFRS

1. The accounting principles for the consolidated financial statements

Basic information about the Group

The business idea of Nurminen Logistics is to provide and produce high-quality and customer competitiveness increasing logistics services in Finland, Russia and direct regular railway cargo services between Finland and China. The parent company of the Group is Nurminen Logistics Plc. The parent company is domiciled in Helsinki, Finland, and its registered address is Satamakaari 24, 00980 Helsinki, Finland. The parent company is listed on NASDAQ OMX Helsinki Stock Exchange.

Copies of the consolidated financial statements are available in internet at www.nurminenlogistics.com. The consolidated financial statements were authorized for issue by the Board of Directors on 2 March 2022. According to the Finnish Limited Liability Companies Act, shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after the publication of the financial statements. The Annual General Meeting also has the right to decide to amend the financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in European Union, in accordance with the IAS and IFRS standards and SIC and IFRIC interpretations effective on 31 December 2021. International Financial Reporting Standards are standards and interpretations adopted for application in the European Union in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and Council. The notes to the consolidated financial statements are also in accordance with the Finnish Accounting Act and Ordinance and the Limited Liability Companies Act complementing the IFRS.

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities measured at fair value through profit or loss.

The financial statements are presented in thousands of euro and the figures are rounded off to the nearest thousand, so the sum of individually presented figures can deviate from the disclosed sums.

Adaptation of new and reviewed IFRS standards

The Group has applied the following amendments as of 1 January 2021:

- In April 2021, the IFRS Interpretations Committee (IFRIC) issued a final agenda decision on the accounting treatment of configuration and customization costs for acquired cloud services. In its decision, the IFRIC considered whether the customer would recognize an intangible asset in accordance with IAS 38 and, if the intangible asset is not recognised, how the customer would account for the costs of setting up the system. Agenda decisions do not have an entry into force, so they are expected to apply as soon as possible. Nurminen Logistics has cloud service arrangements in place. The accounting principles applied have been analyzed and specified for the implementation phase of the systems, and effects have been taken into account in the 2021 financial statements.

- Amendments to IFRS 16 Leases. As a direct consequence of the continued Covid-19 pandemic, the IASB extended the period of a relief to lessees from applying IFRS 16 guidance on lease modifications to rent concessions. Nurminen Logistics has elected not to use this practical expedient.

- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases. The 2nd phase amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest ratio (RFR). A practical expedient requires contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate. If any other changes made at the same time are assessed as substantial, the instrument is derecognised. If not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument to profit or loss. The reference rate reform has not had an impact on Nurminen Logistics.

Principles of Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of Nurminen Logistics Plc and those of all its subsidiaries. The subsidiaries are entities controlled by the parent company. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Subsidiaries acquired are included in the consolidated financial statements from the acquisition date that control commences until the date that control ceases.

Acquired subsidiaries are accounted for by using the acquisition method. The consideration transferred, identifiable assets and liabilities assumed of the acquired entity and are measured at their fair values at the acquisition date. Goodwill arising on an acquisition is recognized as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests and previously held equity interests in the acquiree, over the Group's share of the fair value of the net assets acquired at the acquisition date.

The consideration transferred includes any assets transferred by the acquirer, liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer, measured at fair value. Any contingent consideration related to the business combination is measured at fair value at the acquisition date and it is classified as either liability or equity. Contingent consideration classified as liability is remeasured at its fair value at each balance sheet date and the subsequent changes to fair value are recognized in profit or loss. Contingent consideration classified as equity is not subsequently remeasured. The consideration transferred does not include any transactions accounted for separately from the acquisition, which are treated in conjunction with the acquisition in profit or loss. All acquisition-related costs, with the exception for costs to issue debt or equity securities, are expensed in the periods in which costs are incurred and services rendered.

All intra-group transactions, receivables and liabilities as well as unrealized gains and profit distribution are eliminated in the consolidation. Non-controlling interests are presented as a separate item under equity.

Non-controlling Interests

Any non-controlling interest in the acquiree is measured on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Changes in the parent company's ownership interest in a subsidiary are accounted for as equity transactions if the parent company retains control over the subsidiary.

The result for the financial year and items recognized in other comprehensive income are allocated to the equity holders of the parent company and non-controlling interests. Total comprehensive income is allocated to the equity holders of the parent company and non-controlling interests, even if that results in a deficit balance, unless non-controlling interests have an exemption not to meet obligations which exceed non-controlling interests' investment. Equity attributable to the non-controlling interest is presented separately under equity in the consolidated balance sheet.

Associates

Associates are companies in which the Group has significant influence. Significant influence generally arises when the Group holds 20 to 50 per cent of a company's voting power or the Group otherwise has significant influence but not power to govern the financial and operating policies of an entity. Associates are consolidated using the equity method. When the Group's share of an associate's losses exceeds the carrying amount of the interest, the interest is recognized at zero value in the balance sheet and recognition of further losses is discontinued, except to the extent that the Group has committed to settle the associate's obligations. Investment in an associate includes goodwill arisen on acquisition. Unrealized gains resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The Group's share of an associate's result for the financial year is disclosed separately after financial items in the consolidated statement of comprehensive income.

Foreign Currency Transactions

Items included in the financial statements of each subsidiary in the Group are determined using the currency reflecting the primary economic environment of that subsidiary ("the functional currency"). The consolidated financial statements are prepared in euro which is the functional and presentation currency of the parent company and the presentation currency of the consolidated financial statements.

Foreign currency transactions of the Group companies are translated into functional currencies using the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated using the balance sheet date exchange rates and non-monetary assets and liabilities that are measured at historical cost are translated using the transaction date exchange rates. Gains and losses arising from the translation are recognized in the consolidated statement of comprehensive income.

In preparation of consolidated financial statements income and expenses for the income statements and for the statements of comprehensive income of those foreign Group companies, whose functional currency is not euro, are translated into euro by using the average exchange rate for the financial year and the balance sheets are translated at the exchange rate at the balance sheet date. Translation differences arising from such translation are recognized in equity. Retranslating the result and the total comprehensive income for the financial year using different exchange rates for the statement of comprehensive income and for the balance sheet causes a translation difference recognized in Group's equity, the change in this translation difference is recognized under other comprehensive income. Respectively, foreign currency differences arising from the elimination of the costs of foreign subsidiaries, and from the retranslation of post-combination equity components in subsequent periods, are recognized in other comprehensive income. When a foreign operation is sold or is otherwise disposed of, in part or in full, the accumulated foreign currency differences are recognized in the statement of comprehensive income as part of the gain or loss on sale for the disposed part.

Property, Plant and Equipment

Items of property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. The cost includes all expenditure directly attributable to the acquisition of the asset. The borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period to get ready for its intended use or sale, are capitalized as part of the carrying amount of the asset. Subsequent costs are recognized in the carrying amount of the item only if it is probable that future economic benefits associated with the asset will flow to the Group and its cost can be measured reliably. Other repair and maintenance costs are expensed as incurred.

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, which are the following:

Buildings	30–40 years
Transport equipment	5–8 years
Machinery and equipment	3–10 years
IT equipment	3 years
Software	5–10 years

Land is not depreciated.

Recognition of depreciation on an item of property, plant and equipment is discontinued when the item is classified as held for sale in accordance with IFRS 5 standard. Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Gains and losses on the disposal of assets are reported as the difference between selling price and carrying amount, and the gains and losses are included in other operating income and expenses in the income statement.

Useful lives and residual values are reviewed at every balance sheet date. Changes in the future economic benefits to be received from the items of property, plant and equipment are accounted for by adjusting the useful lives and residual values of the items in question. Gains and losses arising from sale and disposal of property, plant and equipment are included in other operating income or in other operating expenses.

Intangible Assets

Goodwill

Goodwill arising on business combinations is recognized as the excess of the aggregate of the consideration transferred, the amount of non-controlling interest in the acquiree and the value of any previously held equity interest over the fair value of the acquired net assets.

Goodwill is not amortized but it is tested at least annually for impairment. Goodwill is carried at historical cost less accumulated impairment losses.

Research and development costs

Research costs are expensed in the financial year in which they are incurred. Development costs are capitalized when certain criteria are met.

Other intangible assets

An intangible asset is recognized in the balance sheet only if its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

An intangible asset is measured at historical cost less amortization and any impairment losses. Group's intangible assets include mainly IT software which is amortized on a straight-line basis over 5 to 7 years.

Impairment of Intangible Assets and Property, Plant and Equipment

The Group assesses, at every balance sheet date, if there are any indications of impairment of property, plant and equipment or intangible assets. In case such indications exist, the asset's recoverable amount is estimated. If the carrying amount of an asset exceeds its recoverable amount, the impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

As to goodwill, the recoverable amount is estimated at least annually irrespective of whether indications of impairment exist. Impairment is assessed at a cash-generating unit level, i.e. at the lowest level for which there are separately identifiable, mainly independent cash flows. In impairment testing of goodwill, the recoverable amount is based on value in use, i.e. on the estimated discounted future net cash flows.

At the recognition of the impairment loss the asset's useful life is re-estimated. The recognized impairment loss is reversed if the estimates used to determine the asset's recoverable amount have changed. The reversal of the impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset. An impairment loss on goodwill is never reversed.

Application of IFRS 9

Impairment policies are based on expected credit loss models. Impairment models apply to cash and cash equivalents, such as rental, sales and factoring receivables and loan receivables.

Financial instruments

Financial assets

Financial assets of Nurminen Logistics are classified according to IFRS 9 into the following categories: financial assets at amortized cost and financial assets at fair value through profit or loss. The classification of financial assets is made at initial recognition of financial assets and is based on the business model applied by the company for the holding of financial assets and the nature of contractual cash flows.

Measurement of a financial asset at amortized cost requires the contractual cash flows to consist solely of interest and the repayment of principal (the so-called SPPI criterion). Compliance with the SPPI criterion is assessed on a per-instrument basis. If the SPPI criterion is not met, financial assets are measured at fair value through profit or loss.

Financial assets are classified as current assets if they have a maturity of less than 12 months and are expected to be disposed of within 12 months. Otherwise, the item is presented as non-current assets. Transaction costs are included in the original carrying amount of the financial assets in the case of an item measured at amortized cost. Purchases and sales of financial instruments are recognized on the settlement date. The fair values of financial instruments are determined using discounted cash flows.

Financial assets at amortized cost

An item of financial assets is measured at amortized cost if the business model requires the collection of fixed or predetermined cash flows. They consist of repayments of capital and interest on capital and arise when the Group provides loans or provides products and services directly to debtors. If an item of financial assets does not meet the above conditions, it is measured at fair value. The Group typically recognizes rental, factoring and trade receivables as well as loan receivables at amortized cost.

Financial assets at fair value through profit or loss

If a financial asset is not measured in accordance with the above criteria, it is measured at fair value, and changes in fair value are recognized through profit or loss or they are measured at fair value through other comprehensive income. The company did not have any financial assets measured through profit or loss or at fair value through other comprehensive income in 2021.

Credit risk assessment of financial assets

In accordance with IFRS 9, Nurminen Logistics recognizes expected credit losses on cash classified at amortized cost. According to this model, expected loan losses based on an individual counterparty default risk assessment. The Group uses a simplified method for recognizing credit losses permitted by the standard, in which case the Group recognizes the expected credit loss over the life of the contract. The change in expected credit losses recorded at each reporting date reflects the change in the credit risk of the financial assets from the initial recognition. A credit transaction is no longer required to record a credit loss. Recognizing the amount of expected credit loss and a proactive provision for impairment is based on the management's best estimate of future credit losses. Customer receivables and the related credit loss risk are actively monitored by the company, and decisions on measures to secure the receivables are made, if necessary. When the amount of provision for credit loss is estimated on a case-by-case basis, any collateral or insurance, the customer's financial position and previous payment behavior are taken into consideration.

Financial assets are derecognized when the Group loses its contractual right to receive cash flows or when it has transferred a significant part of the risks and rewards of ownership. An impairment loss is recognized immediately in profit or loss, depending on the item, either in other operating expenses or in financial items.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank accounts as well as highly liquid investments with original maturities of three months or less at the acquisition date.

Financial liabilities

The financial liabilities of Nurminen Logistics are classified to the following categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost (other financial liabilities). The former category includes derivatives entered into by the Group, to which hedge accounting is not applied and that are not financial guarantee contracts. They are classified as held-for-trading instruments. The financial liabilities in this category are initially measured at fair value and are subsequently re-measured at their fair values. Gains and losses arising from derivatives' fair value changes, both unrealized and realized, are recognized in profit or loss in the period in which they occur. Fair values are determined by discounting the instruments' cash flows.

Other financial liabilities, which mainly consist of Group's finance lease liabilities, are measured at fair value upon initial recognition.

Transaction costs are included in the original carrying amount. Subsequently other financial liabilities are measured at amortized cost using the effective interest rate method.

A financial liability is classified as current if the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. A financial liability (or part of the liability) is not derecognized until the liability has ceased to exist, that is, when the obligation identified in a contract has been fulfilled or cancelled or is no longer effective.

Revenue recognition principles – adaptation of new and reviewed IFRS 15 standard

Company's revenue consists mainly of forwarding services, railway transport and terminal services. Company receives income also from short- and long-term warehousing services. Revenue is recognized as goods are assigned to customer or service is concluded: as performance obligations are met and customer obtains the goods or services within the performance obligation. Revenue is recognized with the same price that the company expects to be entitled to, with sales taxes and other possible compensations deducted from the price. The prices for company's services are fixed and generally contain no alterable components.

Revenue recognition principles have been described below:

Railway services

The company provides international railway transport services with various types of wagons in which the goods are delivered to destination. Company recognizes revenue from agreement price when the delivery is complete at the arrival of the goods to destination. The service has singular contract obligation, which includes transport service to the destination, and the contract price is addressed to that obligation.

Forwarding services

Forwarding service agreement consists of actions necessary for importing, exporting and customs duties. As whole they compile the performance obligation towards customer, which is usually concluded within a month from the signing of the agreement. Company recognizes revenue from agreement price when the delivery orders connected to import or export have been received and authority over the goods is transferred to customer or other party. Complete contract price is addressed on one performance obligation.

Terminal services

Terminal services consist of handling of goods at the arrival or departure of goods. The definite content of service is defined on contract level. Terminal service agreement is an entity to which the contract price is addressed to. The contract price is recognized when the work on handling goods has been completed.

Warehousing services

Warehousing services consist of renting space from terminal or terminal area for short or long term holding of goods. Warehousing agreement is an entity to which the contract price is addressed to. Profit from warehousing services are recognized over the time during the lease period for which the customer benefits from the service. Lease income is processed according to IFRS 15 -standard when customer is not given control over the leased space.

Contractual amounts recognized in the balance sheet

Trade receivables

Trade receivable is a transaction price that company has an unconditional right.

Trade receivables are non-interest bearing and are typically from 14 to 60 days corresponding the average payment terms.

Contract assets or contract liabilities

Due to the nature of the business, Nurminen Logistics does not have contract assets or contract liabilities.

Employee benefits

Pension arrangements

The pension arrangements of Nurminen Logistics have been classified as defined contribution plans. Payments to defined contribution plans are recognized as an expense in the income statement in the period to which they relate. In defined contribution plans the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further amounts in case the separate entity receiving the contributions fails to pay out the pension benefits.

Share-based payments

Share-based incentive plan in use in 2021 is settled as a combination of shares and cash when the criteria set in the terms and conditions are met. The fair value of the share-based payments settled with shares has been determined at the grant date and will be recognized as an expense over the vesting period. The total amount to be expensed over the vesting period is determined based on the Group's estimate of the number of the shares that are expected to be vested by the end of the vesting period. The impact of the revision of original estimates is recognized in the statement of income. The cash portion is intended to cover taxes and taxable benefit costs.

Such arrangements in which the Group has granted its employees a right to a future cash payment by granting the employees a right to shares that are redeemable, either at the Group's or an employee's demand, are accounted for as cash-settled share-based payments. The liability arising from such arrangement is remeasured at fair value at each reporting date and at the settlement date and the changes in fair value are recognized in profit or loss in the period in which the changes occur. The benefits granted in this arrangement are measured at fair value at their grant date and expensed on a straight-line basis over the vesting period.

Income taxes

The income tax expense in the statement of comprehensive income comprises the current tax, adjustments to previous periods' taxes as well as changes in deferred taxes. Income taxes are recognized in profit or loss except when they relate to other comprehensive income or equity, while income taxes are recognized within the respective items. Current tax is calculated based on taxable income using tax rates enacted in each country.

Deferred tax assets and deferred tax liabilities are calculated for temporary differences between the amounts of assets and liabilities used for taxation purposes and the carrying amounts for financial reporting purposes under IFRS. The principal temporary differences arise from financial instruments measured at fair value through profit or loss and depreciation related to component accounting. Deferred taxes are measured at the tax rate that has been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax liabilities are recognized in the statement of financial position in full.

Tangible Assets and Leases

IFRS 16 requires lessees to recognize all leases in the balance sheet on a right-of-use basis. Leased assets are treated during the lease term on the same basis as owner-occupied assets and are recognized in the balance sheet on a straight-line basis. The debt based on the present value of the rent is reduced as the rent is paid. The group's right-of-use assets are comprised of IFRS 16 lease liabilities concerning land and water areas, buildings and machinery and equipment.

Because of its industry and business model, Nurminen Logistics primarily is the lessee in the contracts. The company primarily applies the standard to leases on land areas, premises and terminal properties, as well as terminal machinery and equipment. In determining the term of a lease, the company has exercised discretion in estimating the probability of exercising the extension options of leases and included the terms covered by the option in the term of the lease, if exercising the option is probable.

Leases are distinguished from service contracts using a control model. When the arrangement includes a specific asset that is under the control of the customer, it is a lease. The contract is recognized in the balance sheet as a non-current asset and a liability arising therefrom. Service contracts are recognized as an expense in the income statement.

Lease liabilities

At the commencement date of the agreement, Nurminen Logistics values the lease liability at the present value of the rent outstanding at that date. Payments include fixed rentals and residual value guarantees less any available lease incentives. The company considers lease termination charges as part of the lease payments if it has considered the option to terminate during the lease term. VAT is not included in the amount of the lease liability and management and maintenance fees and other payments of a service nature are generally treated as an expense that cannot be capitalized in the balance sheet. Interest expenses are recognized through profit or loss over the term of the lease and the right-of-use asset is amortized using the straight-line method over the term of the lease.

Rents are discounted using the company's estimated additional credit interest. The standard defines the interest rate for a supplementary loan as the interest that the lessee would have to pay on borrowing for the same period and with similar collateral to acquire the asset at the cost of the underlying asset.

Right of use assets

Nurminen Logistics records the lease at the commencement date of the lease, i.e. the date on which the lessor transfers the asset to the control of the company. The property, plant and equipment are measured at cost less accumulated depreciation and impairment losses and adjusted for any subsequent revaluation of the lease liability. The original cost equals the original lease liability. The right of use assets are subject to impairment testing.

Application of facilitations and significant assumptions

Nurminen Logistics does not treat short-term leases of less than 12 months or low value assets as property, plant and equipment, but recognizes the resulting rental expense in the income statement. Contracts of minor value primarily include IT and office hardware, company cars and small office spaces. Fixed-term leases are dealt with by the company within the term of a non-cancellable lease term and are subject to any subsequent option periods when the company has reasonable assurance that they will be exercised. The management exercises discretion in assessing the term of leases valid until further notice, which is based on the company's strategic situation and market conditions, as well as the costs that would be incurred if the leased commodity was replaced by another commodity.

Leases in which Nurminen Logistics is the lessor are operating leases and are recognized in the income statement on a straight-line basis over the lease term.

The remaining liabilities for leases that do not include a property, plant and equipment and lease liabilities are disclosed in Note 26 as off-balance sheet liabilities.

Operating profit

The operating profit is the total of sales and other operating income from which expenses for material and services, employee benefits and other operating expenses as well as depreciation, amortization and impairment losses on non-current assets are subtracted. Foreign currency differences arising from working capital items are included in the operating result, whereas foreign currency differences from financial assets and financial liabilities are included in financial income and expenses.

Hybrid bond

A hybrid bond is recognized in shareholders' equity after equity belonging to shareholders. The bond holders do not have any rights equivalent to ordinary shareholders. The company has no contractual obligation to repay the loan capital or the interest on the loan. The hybrid bond is initially recognized at fair value less transaction cost and subsequently the bond is measured at cost. If interest is paid to the hybrid bond, it is recognized directly into retained earnings.

Accounting policies requiring management judgement and assumptions driving uncertainties in estimates

The preparation of the financial statements in conformity with IFRS requires the management to make estimates, assumptions and judgments in the application of the accounting policies. The estimates and assumptions made affect the reported amounts of assets and liabilities in the balance sheet as well as the income and expenses in the income statement.

In business combinations fair values of the items of property, plant and equipment and intangible assets are estimated and the depreciation and amortization periods for the assets are determined. The determination of fair value of intangible assets is based on estimates about future cash flows to be generated by these assets.

Goodwill is tested for impairment annually. Management's judgment must be used in determining the cash-generating units for goodwill testing. The recoverable amounts of the cash-generating units are determined based on value in use. The preparation of these calculations requires use of estimates. In calculation of value in use estimates are made about future cash flows and discount rate to be used. Estimates are based on budgets and forecasts, which contain some degree of uncertainty.

Due to uncertainty regarding use of confirmed losses the Group recognises deferred tax assets in the consolidated balance sheet by the principle of prudence.

Property, plant and equipment as well as intangible assets are reviewed annually as to whether any indications exist that these assets might be impaired. If indications exist, the asset's recoverable amount is estimated.

Items of property, plant and equipment as well as intangible assets are depreciated and amortized over their estimated useful lives. The useful lives are reviewed regularly. The management reviews regularly, whether if certain items to be divested will not meet the criteria of IFRS 5 -standard for probability of divestment of an asset within 12-month period from categorizing these assets as long-term assets to be divested. Should these assets fail to meet the criteria for non-current assets held for sale they are to be written out from the category.

Estimates made in preparing the financial statements are based on the management's best view and the information available at the balance sheet date. Estimates and assumptions are based on experience and other factors that are considered the best view in measuring such assets and liabilities, whose values cannot be derived from other sources. The estimates concerning the future are based on assumptions that are regarded as the most probable at the balance sheet date relating to the expected development of the financial environment of Nurminen Logistics and assumptions about the development of sales and cost level. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed continuously. The realization of estimates and assumptions and the changes in underlying factors are reviewed regularly by using both external and internal sources of information. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only the period in question. If the revision to accounting estimate affects both the period in which the estimate is revised and future periods, the revision is recognized respectively in the period in question and in future periods.

Adoption of new and amended standards and interpretations

The International Accounting Standards Board has announced the following new or amended standards and interpretations, which the Group has not yet adopted. The Group will apply each standard and interpretation as of its effective date or, if the effective date is some other date than the first day of the accounting period, as of the beginning of the financial year following the effective date. New standards and amendments to existing standards coming into effect in the fiscal year starting 1.1.2022 or later are the following:

- Amendments to IFRS 3 Business Combinations (effective for accounting periods beginning on or after 1 January 2022). The amendments add an exception to the recognition principle in IFRS 3 to avoid gains or losses on the acquisition of any liabilities after the acquisition date. The exception requires the Group to apply the criteria in IAS 37 or IFRIC 21, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendment also clarifies IFRS 3 to the extent that contingent assets do not qualify for recognition.

- Amendments to IAS 16 Property, Plant and Equipment (effective for accounting periods beginning on or after 1 January 2022). The amendments prohibit deducting any proceeds received from the cost of Property, Plant and Equipment before the intended use.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after 1 January 2022). The amendments clarify which type of costs are included in the cost of fulfilling a contract when assessing whether a contract is onerous. The cost of fulfilling a contract include both incremental costs and an allocation of other direct costs.

- Amendments to IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2022). The annual improvement clarifies the 10% fees in a test to determine whether new or modified financing qualifies for derecognition of financial liabilities. The fees include only those paid between the borrower and the lender.

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for ac-counting periods beginning on or after 1 January 2023). The amendment introduces a new definition of accounting estimates to distinguish them more clearly from changes in accounting policies and corrections of errors. An accounting estimate would be a change in input or valuation technique from a certain point in time.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (effective for accounting periods beginning on or after 1 January 2023). Significant accounting principles will be replaced by material accounting principles. The amendment also includes guidance and examples for assessing materiality in the presentation of accounting principles.

- Amendments to IAS 12 Income taxes (effective for accounting periods beginning on or after 1 January 2023). The amendment narrows the scope of the initial recognition exception of deferred taxes so that it no longer applies to transactions which give rise to an equal temporary difference between taxable and deductible taxes. It would apply to assets and liabilities arising from individual transactions, such as right-of-use assets and lease liabilities or asset retirement obligations and corresponding asset components, if their deferred taxes are not equal. The effect on deferred taxes would be presented from the beginning of the earliest comparison year.

- Amendments to IAS 1 Presentation of Financial Statements (effective tentatively for accounting periods beginning on or after 1 January 2024). The amendments clarify that the Group has the right to defer settlement of a liability at the end of the reporting period if it meets the conditions specified on that date. The classification of a liability as current or non-current is unaffected by the likelihood that the Group will exercise its deferral right.

The above listed or other standards that become effective on or after 1 January 2022 are not expected to have an impact on Nurminen Logistics's consolidated financial statements.

Impacts of the Covid-19 pandemic

The Covid-19 situation hampered sales work internationally. Operational business and development projects progressed without major problems caused by the pandemic.

2. Segment information

Impacts of IFRS 15 -standard have been described in the accounting principles-section.

IFRS 15: Revenue recognition

1,000 EUR	1.1.–31.12.2021	1.1.–31.12.2020
Over time	3,969	3,374
At one point of time	137,286	77,333
Revenue from customer contracts, Total	**141,254**	**80,707**

Net sales were divided geographically between Finland, Russia and the Baltic countries.

Information on geographical areas 2021

1,000 EUR	Suomi	Venäjä	Baltia	Yhteensä
Net sales	71,392	1,373	68,489	141,254
Non-current assets	55,575	4	260	55,839

Information on geographical areas 2020

1,000 EUR	Suomi	Venäjä	Baltia	Yhteensä
Net sales	35,008	245	45,454	80,707
Non-current assets	50,935	1	233	51,169

The Chinese and Asian container block train operations account for EUR 46.8 million (9.5) i.e. 33 % (12 %) of the Group's net sales.

Multimodal services account for EUR 11.2 million (12.3) i.e. 8 % (15 %) of the Group's net sales.

Cargo services account for EUR 14.6 (13.4) million i.e. 10 % (17 %) of the Group's net sales.

The Baltic operations account for EUR 68.5 million (45.5) i.e. 48 % (56 %) of the Group's net sales.

Information on major customers

Revenue from any single customer did not exceed 10 % of the Group revenue in 2021.
Revenue from Logboks OOO was 8,450 thousand euros in 2020, being 10 % of the Group revenue.

3. Other operating income

1,000 EUR	2021	2020
Gains from sale of property, plant and equipment	9	
Rental income	255	19
Other items	18	34
Total	**282**	**53**

4. Operating expenses

1,000 EUR	2021	2020
Use of materials and services	109,567	61,380
Expenses relating to short term low value leases	4,633	1,682
Administrative expenses	3,108	2,430
Other cost items	3,079	2,025
Total other operating expenses	**10,820**	**6,136**

The payments of leasing liabilities accounted for 644 thousand euros in the cash flow from financing activities in 2021 and 2,329 thousand euros in 2020.

Auditor fees

1,000 EUR	2021	2020
Audit fees	152	149
Other services	31	15
Total	**183**	**164**

5. Employee benefit expenses

1,000 EUR	2021	2020
Wages and salaries	6,662	7,160
Pension expenses, defined contribution plans	986	903
Other social security costs	254	307
Share-based payments	655	60
Total	**8,558**	**8,430**

Information on the management remuneration is presented in note 28. Related party transactions.
Information on the share-based payments is presented in note 22. Share-based payments.

Personnel of the Group during the year in average

	2021	2020
Total	**145**	**163**

6. Depreciation, amortisation and impairment losses

Depreciation and amortisation by asset category:

1,000 EUR	2021	2020
Intangible assets		
Other intangible assets	387	389
Impairment losses	129	0
Total	**517**	**389**
Property, plant and equipment		
Buildings	1,570	459
Machinery and equipment	72	94
Other tangible assets	35	1
Total	**1,676**	**554**
Depreciation of Right-of-use assets (IFRS16)	774	4,077
Total	**2,967**	**5,020**

7. Financial income and expenses

1,000 EUR	2021	2020
Financial income		
Interest income	23	32
Exchange rate gains	225	0
Total financial income	**248**	**32**
Financial expenses		
Interest expenses	998	530
Exchange rate losses	235	183
Financial expenses on lease liabilities (IFRS 16)	324	1 387
Other financial expenses	459	161
Total financial expenses	**2,017**	**2,261**

Items above the operating profit include exchange rate differences totalling EUR -127 thousand in 2021 (EUR –80 thousand in 2020).

8. Income tax expense

The income tax expense in the statement of comprehensive income consists of the following:

1,000 EUR	2021	2020
Current tax expense	–777	371
Deferred taxes, net	6,728	28
Total	**5,951**	**400**

The reconciliation between the income tax expense recognised in the consolidated statement of comprehensive income and the taxes calculated using the Finnish corporate tax rate (20,0 %):

1,000 EUR	2021	2020
Profit before income tax	7,825	–2,438
Corporate tax rate	20 %	20 %
Income tax calculated using the Finnish corporate tax rate	–1,565	488
Adjustments:		
Effect of tax rates used in foreign subsidiaries	233	–151
Unrecognised deferred tax assets on losses	–1	–805
Non-deductible expenses	–45	1
Use of previously unrecognized tax losses	496	0
Recognised deferred tax assets on losses	6,617	0
Other differences	216	67
Total adjustments	**7,516**	**–888**
Income tax expense in the statement of comprehensive income	**5,951**	**–400**

9. Earnings per share

	2021	2020
Result attributable to the equity holders of the parent company (1,000 EUR)	11,798	–4,127
Interest on the hybrid bond	0	48
Weighted average number of shares, undiluted	75,540,173	44,652,887
Earnings per share, undiluted, euro	0.16	–0.09
Result attributable to the equity holders of the parent company (1,000 EUR)	11,798	–4,127
Weighted average number of shares, diluted	77,843,064	44,652,887
Earnings per share, diluted, euro	0.15	–0.09

* Hybrid bond EUR 1.25 million from Ilmarinen has not been effective on dilution in 2020 due to the negative result.

10. Subsidiaries and associates

The companies belonging to Nurminen Logistics are the following:

Subsidiaries	Domicile	Ownership (%)	Share of the voting power (%)
Nurminen Logistics Services Oy	Finland	100.0 %	100.0 %
Kiinteistö Oy Kotkan Siikasaarentie 78	Finland	100.0 %	100.0 %
Kiinteistö Oy Luumäen Suoanttilantie 101	Finland	100.0 %	100.0 %
Kiinteistö Oy Vainikkalan Huolintatie 13	Finland	100.0 %	100.0 %
OOO Nurminen Logistics	Russia	100.0 %	100.0 %
RW Logistics Oy	Finland	100.0 %	100.0 %
Kiinteistö Oy Helsingin Satamakaari 24	Finland	51.0 %	51.0 %
Nurminen Maritime Latvia SIA	Latvia	51.0 %	51.0 %
Nurminen Maritime UAB	Lithuania	51.0 %	51.0 %

Associates and joint ventures	Domicile	Ownership (%)	Share of the voting power (%)
NR Rail Oy	Finland	51.0 %	51.0 %
Pelkolan Terminaali Oy	Finland	20.0 %	20.0 %

Group has 3 subsidiaries with material non-controlling interests. Nurminen Logistics Plc bought 51 % of shares in Kiinteistö Oy Helsingin Satamakaari 24 in December 2020.

The following is summarised financial information for the subsididiaries with material non-controlling interests. The information is before inter-company eliminations with other companies in the Group. PFC Nordic Oy has been merged with Nurminen Logistics Services Oy in 30.11.2021. Nurminen Logistics has a 51% holding in NR Rail Oy, but no control over the company, as a result which NR Rail Oy is an associated company. NR Rail Oy has no business operations and is being liquidated.

	2021				2020			
1,000 EUR	Kiinteistö Oy Helsingin Satamakaari 24	Nurminen Maritime Latvia SIA	Nurminen Maritime UAB	Total	Kiinteistö Oy Helsingin Satamakaari 24	Nurminen Maritime Latvia SIA	Nurminen Maritime UAB	Total
Summary of comprehensive income staments								
Net sales	2,491	16,699	51,791	**70,981**	0	19,665	25,789	**45,454**
Profit before taxes	68	57	4,666	**4,790**	0	547	2,478	**3,025**
Income tax	–18	71	702	**754**	0	15	379	**394**
Total comprehensive income	86	–14	3,964	**4,035**	0	532	2,099	**2,631**
Total comprehensive income attributable to NCI	42	–7	1,944	**1,979**	0	261	1,029	**1,289**
Summary of balance sheets								
Current assets	441	2,776	6,845	**10,062**	106	3,038	3,532	**6,676**
Non-current assets	39,995	115	145	**40,255**	41,476	100	133	**41,709**
Current liabilities	1,237	2,183	2,942	**6,361**	1,369	2,172	1,447	**4,988**
Non-current liabilities	21,940	14	30	**21,984**	23,039	53	64	**23,157**
Net assets	17,259	695	4,018	**21,972**	17,173	914	2,154	**20,241**
Equity attributable to NCI	8,372	341	1,970	**10,683**	8,330	448	1,056	**9,833**
Summary of cash flows								
Cash flow from operating activities	1,742	541	3,678	**5,961**	0	409	2,962	**3,370**
Cash flow from investing activities	0	–62	–44	**–106**	0	–4	–15	**–19**
Cash flow from financing activities	–1,369	–240	–2,126	**–3,734**	0	0	–2,947	**–2,947**
Net increase in cash and cash equivalents	373	239	1,509	**2,121**	0	405	–1	**405**
Dividends paid to NCI during the year	0	99	1,030	**1,129**	0	0	1,467	**1,467**

11. Property, plant and equipment

1,000 EUR	Land and water areas	Land and water areas, IFRS 16	Buildings	Buildings, IFRS 16	Machinery and equipment	Machinery and equipment, IFRS 16	Other tangible assets	Prepayments and assets under construction	Total
2021									
Cost at 1 January	247	8,978	46,266	8,032	17,248	1,774	856	7	83,408
Additions					150	35	3	177	365
Transfer from IFRS 5 Non-current assets held for sale to property, plant and equipment			897						897
Transfers between asset categories					−76	85	22	−79	−47
Disposals					−48	−114			−162
Cost at 31 December	247	8,978	47,163	8,032	17,275	1,780	881	106	84,462
Accumulated depreciation and impairment losses at 1 January		−116	−9,104	−7,558	−17,067	−728	−687		−35,260
Depreciation for the year		−306	−1,570	−74	−72	−395	−35		−2,450
Accumulated depreciation for disposals and transfers					19	61			80
Accumulated depreciation and impairment losses at 31 December		−422	−10,673	−7,632	−17,120	−1,062	−723		−37,631
Carrying amount 1.1. 2021	**247**	**8,862**	**37,162**	**474**	**181**	**1,047**	**168**	**7**	**48,148**
Carrying amount 31.12.2021	**247**	**8,556**	**36,490**	**401**	**156**	**718**	**158**	**106**	**46,831**

Kiinteistö Oy Helsingin Satamakaari 24 has been consolidated to group financials based on IAS 16 Property, plant and equipment standard. Kiinteistö Oy Luumäen Suoanttilantie building 24 has been re-classified to property, plant and equipment from non-current assets held for sale during 2021. The building is being leased.

2020	Land and water areas	Land and water areas, IFRS 16	Buildings	Buildings, IFRS 16	Machinery and equipment	Machinery and equipment, IFRS 16	Other tangible assets	Prepayments and assets under construction	Total
Cost at 1 January	**252**	**1,971**	**12,867**	**31,662**	**17,212**	**1,775**	**701**		**66,439**
Additions		7,007	34,153	539	58	18	155	7	41,937
Disposals	−5		−754	−24,169	−22	−18			−24,968
Cost at 31 December	247	8,978	46,266	8,032	17,248	1,774	856	7	83,408
Accumulated depreciation and impairment losses at 1 January		−55	−8,645	−3,968	−16,973	−302	−686		−30,629
Depreciation for the year		−61	−459	−3,590	−94	−426	−1		−4,631
Accumulated depreciation and impairment losses at 31 December		−116	−9,104	−7,558	−17,067	−728	−687		−35,260
Carrying amount 1.1. 2020	**252**	**1,916**	**4,222**	**27,694**	**239**	**1,473**	**15**		**35,810**
Carrying amount 31.12.2020	**247**	**8,862**	**37,162**	**474**	**181**	**1,047**	**168**	**7**	**48,148**

12. Intangible assets

1,000 EUR	Goodwill	Intangible rights	Other intangible assets	Total
2021				
Cost at 1 January	6,171	838	5,728	12,736
Additions			11	11
Transfers between asset categories			100	100
Disposals			–241	–241
Cost at 31 December	6,171	838	5,597	12,606
Accumulated depreciation and impairment losses at 1 January	–5,271	–836	–4,055	–10,162
Depreciation for the year			–387	–387
Impairments			–129	–129
Accumulated depreciation for disposals and transfers			157	157
Accumulated depreciation and impairment losses at 31 December	–5,271	–836	–4,415	–10,522
Carrying amount 1.1. 2021	**899**	**2**	**1,673**	**2,574**
Carrying amount 31.12.2021	**899**	**2**	**1,183**	**2,084**
2020				
Cost at 1 January	6,171	841	5,595	12,607
Additions		1	132	134
Disposals		–5		–5
Cost at 31 December	6,171	838	5,728	12,736
Accumulated depreciation and impairment losses at 1 January	–5,271	–836	–3,667	–9,774
Depreciation for the year			–388	–388
Accumulated depreciation and impairment losses at 31 December	–5,271	–836	–4,055	–10,162
Carrying amount 1.1. 2020	**899**	**5**	**1,928**	**2,833**
Carrying amount 31.12.2020	**899**	**2**	**1,673**	**2,574**

Information on goodwill impairment testing is provided in note 15. Impairment of assets.

13. Lease agreements

In consolidated statement of comprehensive income

	2021	2020
Payments for short-term or low value leases	4,633	1,682
Depreciation and impairment losses	774	4,077
Operating result	5,407	5,759
Financial expenses	324	1,387
Result for the year	5,731	7,146

Payments for short-term or low value leases include container rents of 3,525 thousand euros (2020: 118 thousand euros).

In Consolidated statement of financial position

Assets	Land and water areas	Buildings	Machinery and equipment	Right-of-use assets Total
2021				
Cost at 1 January	8,978	8,032	1,774	18,784
Additions			35	35
Disposals			–114	–114
Transfers between asset categories			85	85
Cost at 31 December	**8,978**	**8,032**	**1,780**	**18,790**
Accumulated depreciation and impairment losses at 1 January	–116	–7,558	–728	–8,402
Accumulated depreciation for disposals and transfers			114	114
Depreciation for the year	–306	–74	–395	–774
Transfers between asset categories			–53	–53
Accumulated depreciation and impairment losses at 31 December	–421	–7,631	–1,062	–9,115
Carrying amount 1.1. 2021	**8,862**	**474**	**1,046**	**10,383**
Carrying amount 31.12.2021	**8,557**	**401**	**718**	**9,676**
2020				
Cost at 1 January	1,971	31,662	1,775	35,408
Additions	7,007	539	18	7,564
Disposals		–24,169	–18	–24,187
Cost at 31 December	**8,978**	**8,032**	**1,774**	**18,784**
Accumulated depreciation and impairment losses at 1 January	–55	–3,968	–302	–4,325
Depreciation for the year	–61	–3,590	–426	–4,077
Accumulated depreciation and impairment losses at 31 December	–116	–7,558	–728	–8,402
Carrying amount 1.1. 2020	**1,916**	**27,694**	**1,473**	**31,082**
Carrying amount 31.12.2020	**8,862**	**474**	**1,047**	**10,383**

Liabilities	2021	2020
1 January	10,467	29,180
Additions	64	7,543
Disposals	–644	–26,001
Other changes		–255
31 December	**9,887**	**10,467**
Non-current finance lease liabilities	9,211	9,829
Current finance lease liabilities	676	637
Total	**9,887**	**10,467**

The maturity distribution of finance lease liabilities is presented in note 25.
The effect of lease agreements in group cash flow

	2021	2020
Net cash flow from operating activities	–324	–1,387
Cash flow from financing activities	–644	–2,329
Net increase (+) / decrease (–) in cash and cash equivalents	**–968**	**–3,716**

14. Carrying amounts of financial assets and financial liabilities by category

1,000 EUR	Note	Assets measured at amortised cost	Liabilities measured at amortised cost	Carrying amounts in the balance sheet
2021				
Financial financial assets and liabilities according to IFRS 9				
Long-term financial assets				
Other receivables	17	21		21
Short-term financial assets				
Trade receivables and other receivables	19	18,709		18,709
Cash and cash equivalents	20	7,003		7,003
Long-term financial liabilities				
Interest bearing liabilities			25,106	25,106
IFRS 16 lease liabilities	13		9,211	9,211
Short-term financial liabilities				
Interest bearing liabilities			1,924	1,924
IFRS 16 lease liabilities	13		676	676
Trade payables	24		7,675	7,675

Nurminen Logistics Plc and Nurminen Logistics Services Oy have in Oma Säästöpankki Plc credits limits amounting to maximum 3 million euros. The limit was not in use as of 31 December 2021. As of 31 December 2020 61 thousand euros of the credit limit was used, included in short-term interest bearing liabilities.

1,000 EUR	Note	Assets measured at amortised cost	Liabilities measured at amortised cost	Carrying amounts in the balance sheet
2020				
Financial financial assets and liabilities according to IFRS 9				
Long-term financial assets				
Other receivables	17	241		241
Short-term financial assets				
Trade receivables and other receivables	19	9,554		9,554
Cash and cash equivalents	20	4,471		4,471
Long-term financial liabilities				
Interest bearing liabilities			28,918	28,918
IFRS 16 lease liabilities	13		9,829	9,829
Short-term financial liabilities				
Interest bearing liabilities			1,846	1,846
IFRS 16 lease liabilities	13		637	637
Trade payables	24		5,171	5,171

After initial recognition, the Group's cash and cash equivalents are classified as at fair value through profit or loss, amortized cost or financial assets and financial liabilities at fair value through other comprehensive income.

The carrying amounts of these financial assets and liabilities substantially correspond to their fair values and are classified in level 2 of the fair value hierarchy.

The following levels are used in measuring fair values:

Level 1: Fair value is determined based on quotations from the market.

Level 2: Fair value is determined using valuation techniques. Fair value means the value that can be determined from the market value of parts of a financial instrument or similar financial instruments; or a value that can be determined using valuation models and methods generally accepted in the financial markets, if the market value can be reliably determined using them.

Level 3: Fair value is determined using valuation techniques in which the factors used have a significant effect on the recorded fair value and these factors are not based on observable market data.

15. Impairment of assets

Goodwill is tested for impairment annually, and if indications of impairment exist. The recoverable amount in the impairment testing calculations is determined based on value in use.

An impairment loss is recognised if the carrying amount of the assets allocated to a cash-generating unit, including goodwill, is higher than the unit's recoverable amount. The recoverable amount of each cash-generating unit is determined by discounting the estimated future cash flows of the unit.

Goodwill is allocated for cash generating units (CGUs) for impairment testing. Nurminen Logistics Plc has two CGUs: operations in Finland and Russia, and operations in Baltics (49 % minority). Goodwill is allocated to business operations in Finland. Management estimates that Covid-19 pandemic will not have a significant impact on the company's impairment testing.

1,000 EUR	Operations in Finland	
	2021	2020
Group goodwill	899	899

Signals on possible depreciation of assets are regularly observed from information sources within and outside the Group. These signals can be for example unexpected deviations from key assumptions in Group reporting. In addition to this the signals can be changes in competition or other circumstances in the market, or new regulations or concessions that have an impact on various business fields.

Impairment test calculations on cash flow are based budgets and strategic forecasts accepted by management from the previous five years. For the time period after this forecast period (terminal value) estimated cash flows have been defined by using long term growth forecasts. Essential assumptions having an impact on defining values in use are connected to development of net sales and profitability, and to weighted average cost of capital (WACC) used in discounting cash flows.

For the five-year time period the cashflow has been estimated to develop according to company's medium length turnover and viability goals. Sales increase and profitability level development have been estimated based on businesses recent development and general forecasts. Terminal value is based on 1% growth in cash flow. The cash flow forecast is based on turnover and profitability forecasts made for each business sector, which are based on budget for the year 2022 and long-term strategy approved by management. These are affected by market development in Finland, Russia and neighboring regions, planned growth in regular railway service between Finland and China and actions to improve profitability in the company.

Discount rate is based on industry average WACC after tax. Used discount rate is 8,47 %. Corresponding pre-tax discount rate is 10,03%. Discount rate and impairment test calculation take in account market risks and capital intensity. The cost for equity affecting on WACC is consistent with Group's long-term targets. Net sales in Finnish and Russian businesses was 72,8 million euros in 2021. The net sales are expected to increase especially due to railway traffic in China and Asia during the year 2022. Increase in net sales (CAGR) over the years 2022 – 2026 averages 16.0 %. Increase in net sales per year over the years 2023–2026 is 2.3 %. EBIT % for the underlying business is expected to improve up to the level of Group's long-term target by the end of the estimation period. (Group's mid to long-term target is minimum 9 %.) Tax rate of 20% has been used.

CGU, net sales and EBIT 2019–2026		Actuals				Estimates			
	2019	2020	2021	2022	2023	2024	2025	2026	2026 Terminal
Finland and Russia									
Sales	31,069	35,253	72,765	139,725	142,936	146,220	149,580	153,016	154,546
EBIT	–6,192*	–3,376	4,954	17,303	17,872	18,453	19,049	20,263	20,490

* EBIT is adjusted to exclude impairment loss on consolidated goodwill as well as losses on disposal of Niirala terminal and of the share in the Russian company ZAO Terminal Rubesh, EUR 5.9 million in total.

Sensitivity analysis when one component changes:

Management evaluates that the most sensitive judgements relate to changes in terminal growth, profitability and WACC.

Forecast period 2022–2026	Change	Impact of change on recoverable amount
• Terminal growth 1 %	Terminal growth –1 %-point i.e. terminal growth 0 %	– 18,0 million EUR
• WACC 8,47 %	WACC + 1 %-point i.e. WACC 9,47 %	– 23,9 million EUR
• Average EBIT 12,7 % and EBITDA 14,7 %	EBITDA:n decrease 1 %-point i.e. average EBITDA 13,7 %	– 14,8 million EUR

Based on sensitivity analyses the management evaluates that above mentioned essential judgements would not cause a situation in which the carrying amount of cash generating units would exceed the recoverable amount, and this would not cause impairment loss on goodwill in fiscal year 2022. The cash flow estimate was 3.7 times the CGU's assets employed.

16. Equity-accounted investees

1,000 EUR	2021	2020
At 1 January	205	209
Share of profit / loss for the year	–32	–4
At 31 December	**174**	**205**

The equity-accounted investees (listed below) are not material for the Group.

	Domicile	Ownership (%)
Pelkolan Terminaali Oy	Finland	20.0 %
NR Rail Oy (liquidation proceedings)	Finland	51.0 %

Financial statements for equity-accounted investees have been composed according to FAS, and they have been consolidated into Group accounts using the equity method. If the financial statements would be composed according to IFRS, the consolidation would not be substantially different from consolidation according to FAS.

17. Non-current receivables

1,000 EUR	2021	2020
Other receivables	21	241
Total	**21**	**241**

18. Deferred tax assets and liabilities

1,000 EUR	1 Jan. 2021	Recognised in the income statement	Divestments	Exchange rate differences	31 Dec. 2021
Movements in deferred taxes during year 2021:					
Deferred tax assets:					
Losses of Group companies from previous financial years		6,617			6,617
Loans	2,069	–126			1,943
Intangible and tangible assets		88			88
Total	**2,069**	**6,580**			**8,649**
Netting of deferred taxes	–2,069				–1,921
Deferred tax assets net		**6,580**			**6,728**
Deferred tax liabilities:					
Tangible assets	2,069	–148			1,921
Total	**2,069**	**–148**			**1,921**
Netting of deferred taxes	–2,069				–1,921
Deferred tax liabilities net		–148			

1 000 EUR	1 Jan. 2020	Recognised in the income statement	Divestments	Exchange rate differences	31 Dec. 2020
Movements in deferred taxes during year 2020:					
Deferred tax assets:					
Loans	2,069				2,069
Total	**2,069**				**2,069**
Netting of deferred taxes	–2,069				–2,069
Deferred tax assets net					
Deferred tax liabilities:					
Appropriations	1	–1			
Tangible assets	2,092	–23			2,069
Total	**2,093**	**–24**			**2,069**
Netting of deferred taxes	–2,069				–2,069
Deferred tax liabilities net	**24**	**–24**			

1 000 EUR	2021	2020
Deferred taxes		
Losses of Group companies from previous financial years	11,558	44,863
Confirmed losses will expire in 2022–2030 or later.		
Deferred tax assets on losses from previous financial years	**2,312**	**8,973**

Deferred tax assets include 6 617 thousand euros of unused tax losses of Nurminen Logistics Oyj and Nurminen Logistics Services Oy. Both Nurminen Logistics Oyj and Nurminen Logistics Services Oy made a positive result in 2021. Management assesses the likelihood for the possibility of using all of the unused tax losses to be high. This is based on review of strategic figures and accompanying material. Based on management's estimation, the deferred tax assets recorded in the consolidated statement of financial position will be used by the end of 2023. The previous year's have resulted in financial loss but the group has made significant contract changes in the end of 2020, discontinued an unprofitable freight business and made a significant approximately 20% decrease in personnel. These actions have made a material impact on the cost structure of the group. The freight train business in China and Asia is growing rapidly and the group is increasing capacity by opening new routes and expanding the offering of additional services. Actions to fight climate change, expected by the consumers from industry and retail, are increasing the demand for shipping and more environmentally friendly train freight services. The freight train business of China and Asia is 33% of the group revenue. Sales to Sweden and other nordic countries has increased by 8,2 million euros. The group has signed letters of intent during 2021 with Posti Oyj, Stena Group and RTSB for expanding the freight business additional services in China and Asia.

Sensitivity analysis when one component changes:

Forecast period 2022–2026	Change	Impact of change on recoverable amount
Forecast period profit before tax is 10% less than estimated	Profit before taxes 90% of forecast	No effect to the use of deferred tax assets The use of off-balance sheet deferred tax assets is postponed by a year
Forecast period profit before tax is 20% less than estimated	Profit before taxes 80% of forecast	No effect to the use of deferred tax assets The use of off-balance sheet deferred tax assets is postponed by a year
Forecast period profit before tax is 30% less than estimated	Profit before taxes 70% of forecast	The use of deferred tax assets is postponed by a year The use of off-balance sheet deferred tax assets is postponed by a year

Expiration of deferred tax assets:

1,000 EUR	2022	2023	2024	2025	2026	2027	2028	2029	2030	Later
Deferred tax assets	1	1,191	691	786	950	347	709	1,181	761	0

19. Trade and other receivables

1,000 EUR	2021	2020
Trade receivables	14,101	6,779
Prepaid expenses and accrued income	3,980	2,144
VAT receivables	625	541
Other receivables	3	90
Total	**18,709**	**9,554**

The company has booked a provision for bad debts in 2021 amounting to 156 thousand euros (88 thousand euros in 2020).

Trade and other receivables in currencies		
EUR	12,525	7,680
USD	4,982	1,771
RUB	1,202	103
	18,709	**9,554**

The carrying amounts of current receivables best represent the maximum exposure to credit risk, excluding fair value of any collaterals, in the case other party to an agreement fail to discharge an obligation concerning financial instruments. Trade and other receivables do not contain any significant concentrations of credit risk. The carrying amounts of trade and other current receivables are in essentially equivalent to their fair values.

20. Cash and cash equivalents

1 000 EUR	2021	2020
Cash and bank balances	7,003	4,471
Cash and cash equivalents in the balance sheet	**7,003**	**4,471**

Cash and cash equivalents in the cash flow statement equal to the cash and cash equivalents in the balance sheet.

21. Equity disclosures

The Board members of the parent company review the capital structure, gearing and cost of debt of the Group on regular basis. The mid to long term target for gearing has been set to less than 100. The Board of the parent company may take measures, if development of the gearing is unfavourable. Gearing calculated from the consolidated statement of financial position of the Group was 115,9% in the end of 2021 and 266,1 % in the end of 2020. Equity management covers both equity and interest-bearing liabilities. The aim is to secure business continuity and cost of capital.

	Number of shares	Share capital, thousands of euro	Share premium reserve, thousands of euro	Legal reserve, thousands of euro	Reserve for invested unrestricted equity, thousands of euro
31.12.2017	**44,254,174**	**4,215**	**86**	**2,378**	**26,430**
31.12.2018	**44,254,174**	**4,215**	**86**	**2,378**	**26,430**
Directed issue	350,000				
31.12.2019	**44,604,174**	**4,215**	**86**	**2,378**	**26,430**
Directed share issue in April 2020 *	120,000				**29**
Directed share issue in September 2020 **	143,539				
Directed share issue in December 2020 ***	29,344,954				**9,092**
31.12.2020	**74,212,667**	**4,215**	**86**	**2,376**	**35,550**
Hybrid bond conversion to shares in July 2021****	**2,875,795**				**1,288**
Directed free share issue in July 2021*****	**105,728**				
31.12.2021	**77,194,190**	**4,215**	**86**	**2,376**	**36,838**

* directed share issue to the CEO, subscription price EUR 0.24 per share. There was a weighty financial reason for the company to deviate from the shareholder's pre-emptive subscription right, as the share issue was part of the execution of the CEO's long-term incentive plan.

** a share issue to the company itself without consideration, to pay board fees

*** directed share issue to domestic investors, subscription price EUR 0.31692 per share. There was a weighty financial reason for the company to deviate from the shareholder's pre-emptive subscription right, as the share issue best served the interests of the company and all shareholders and made the above-mentioned real estate transaction possible.

**** Pension insurance company Ilmarinen converted the remaining 1,25 million euro hybrid bond to shares in the summer of 2021.

*****Directed free share issue in July 2021.

The company's shares have no nominal value.
The maximum share capital of the company is EUR 4,215 thousand.
The company held 65,262 of its own shares at 31 Dec 2021.

Reserves included in equity

Share premium reserve
The share premium reserve comprises both share issue gains arisen in the years 1997–2006, less transaction costs, as well as gains from sales of own shares.

Legal reserve
The share issue gains accrued from those share issues carried out before the entry into force of the Finnish Limited Liability Companies Act , i.e. prior to 1 September 2006, have been recognised in the legal reserve.

Reserve for invested unrestricted equity
The reserve for invested unrestricted equity comprises the share issue gains arisen from the directed share issues.

22. Share-based payments

In accordance with the decision of the Annual General Meeting, 50% of the annual remuneration of the Board members in 2021 will be paid in company shares. The share of Board members' share awards recognized as an expense in the income statement was EUR 120 thousand euros in 2021. The number of shares transferred to the Board members was 105 728 based on the price on the payment date of 22 June, 2021.

The share-based incentive reward to the CEO 550 thousand euros has been included in the employee benefit expenses of 2021. The earning period of the CEO's share-based incentive plan is 1 January – 31 December, 2021, and the reward has been paid after the end of the earning period partly in company shares (774,386 shares) and partly in cash (1,247 thousand euros). The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the CEO. The reward from the plan is based on Nurminen Logistics Group's operating result (EBIT) for the financial year 2021 and the Total Shareholder Return of Nurminen Logistics Plc's share in 2021. The reward to be paid on the basis of the plan correspond to the maximum total value.

The board of directors has verified the amount of the reward in 31 January, 2022 and made a decision through through authorization from the shareholders for a free directed share issue to pay for the reward. The shares have been registered in 15 February, 2022 and the transactions with the shares have started in 16 February, 2022.

23. Financial liabilities

1,000 EUR	2021	2020
Net interest-bearing liabilities		
Long-term interest-bearing liabilities	34,317	38,747
Short-term-term interest-bearing liabilities	2,600	2,483
Total interest-bearing liabilities	**36,917**	**41,230**
Cash and cash equivalents	7,003	4,471
Total net interest-bearing liabilities	**29,914**	**36,759**
Interest-bearing liabilities in currencies		
EUR	**36,917**	**41,230**

24. Trade payables and other liabilities

1,000 EUR	2021	2020
Current		
Trade payables	7,675	5,171
Received advance payments	284	35
Other liabilities	435	698
Accrued expenses and deferred income	10,230	4,999
Total trade payables and other liabilities	**18,624**	**10,903**
Trade payables and other liabilities in currencies		
EUR	14,940	8,685
USD	3,023	2,167
RUB	661	51
	18,624	**10,903**
Non-current		
Other liabilities	106	159
Total non-current liabilities	**106**	**159**

The most significant items under accrued expenses consist of operative accrued expenses of 4,971 thousand euros in 2021 (938 thousand euros in 2020) and accrued personnel expenses of 1,251 thousand euros in 2021 (975 thousand euros in 2020)

25. Financial risk management

The objective of the Group's risk management is to minimise the adverse effects by the changes in financial markets on the Group's result and equity. The policy for managing financial risks is based on the main principles of finance approved by the Board of Directors. The finance department is responsible for the daily risk management within the limits set by the Board of Directors.

Currency risk

Currency risk arises from foreign currency imports and exports, from the financing of foreign subsidiaries and from translation of subsidiaries' equity in foreign currency. The Group manages the currency risk inherent in cash flows by keeping foreign currency income and expense cash flows in the same currency, and by matching them simultaneously to the extent possible. If matching is not possible, a part of an open position may be hedged.

Foreign currency transaction risk position can be hedged if the counter value of currency exceeds EUR 500 thousand. Positions greater than EUR 2 million are hedged 50–110 %. Foreign currency risk of the net translation exposure can be hedged 25–75 %. Instruments used in hedging include forward contracts and plain vanilla options. Exotic options are forbidden. The hedge ratio is considered based on the current economic trends and the predicted currency prospects as well as the functionality of each currency's hedge market. In extraordinary hedging market circumstances the company may deviate from guidelines above.

Currency amounts in bank accounts should be kept as small as possible without disturbing payment transactions. The amount of cash and cash equivalents denominated in foreign currencies may not exceed three per cent of the total of the balance sheet.

Interest rate risk

Interest rate risks to the Group derive mainly through interest-bearing debts. The purpose of the interest rate risk management is to diminish the effect of market interest rate movements on cash flows from financing. Hedging instruments may include forward rate agreements and interest rate futures, interest rate swaps and interest collar agreements.

Liquidity risk

The purpose of liquidity risk management is to ensure sufficient financing in all situations. Funds required for about two weeks' payment transactions will be reserved as a buffer for liquidity of payment transactions. The Group aims to guarantee the availability and flexibility of financing by using a number of financial institutions and financing methods in raising finance.

The financial statements are based on the principle of business continuity. The company's management estimates that the operating cash flow generated by the company covers the current business needs and current liabilities for the next 12 months. Sufficiency of operative cash flow is subject to risks if estimates deviate considerably from expectations. If the Group is unable to secure sufficient long term financing arrangements, the continuity of operations can be at risk. The valuation of assets is based on the going concern assumption. If cash flow estimates do not realize according to plan, demand for impairment losses on assets may arise.

Credit risk

The objective of credit risk management is to minimise losses which arise from other party neglecting their obligations. The Group manages the counterparty risk based on the customer credit rating and engages in active debt collection, when necessary.

The Group has made ECL measurement analysis according to IFRS 9. It has recognized estimated credit losses through income statement.

The Group has not applied hedge accounting during 2021 and 2020.

INTEREST RATE RISK

Sensitivity analysis for interest rate risk

In calculating the sensitivity to changes in the interest rate level the following assumptions have been used:

- the change in the interest rate level has been assumed to be +/– 100 bps
- At a time of negative reference interest rates interest rate movements affect as diluted. In the analyse reference interest rates are though to be at least zero.

Sensitivity analysis for variable interest rate loans

1,000 EUR	31.12.2021	2021 Income statement 100bp	
		Increase	Decrease
Total amount of variable interest rate loans	27,030		
Variable interest rate instruments		–265	
Total effect		**–265**	

1,000 EUR	31.12.2020	2020 Income statement 100bp	
		Increase	Decrease
Total amount of variable interest rate loans	30,671		
Variable interest rate instruments		–307	
Total effect		**–307**	

Market-based loans are raised mainly as variable interest rate loans. Nurminen Logistics hedges from interest rate risk of market-based loans by electing the interest rate periods and with derivative instruments, mainly with interest rate swaps. No interest rate swops were used in 2021 and 2020.

CURRENCY RISK

In calculating the sensitivity to changes in the exchange rate the following assumptions have been used:

- the change in the exchange rate has been assumed to be +/– 10 %
- other variables remain constant

		2021			
		Trade receivables 10 %		Trade payables 10 %	
1,000 EUR	USD	Decreases	Increases	Decreases	Increases
Total currency items					
Trade receivables	4,982				
Trade payables	3,023				
Total effect		**–400**	**489**	**243**	**–297**

		2020			
		Trade receivables 10 %		Trade payables 10 %	
1,000 EUR	USD	Decreases	Increases	Decreases	Increases
Total currency items					
Trade receivables	1,771				
Trade payables	2,167				
Total effect		**–131**	**160**	**160**	**–196**

	Balance sheet exchange rate	
Exchange rates used	2021	2020
USD	1.13	1.23

LIQUIDITY RISK

The contractual cash flows of loan instalments and interests at 31 December 2021 were the following:

1,000 EUR	1–3 months	4 months–1 year	2–5 years	5 years ->
Loans from financial institutions	557	1,367	15,789	9,316
Lease liabilities incl. interest	230	691	2,316	11,275
Trade payables	7,675			
Interest to financial institutions	174	660	1,930	798
Total	**8,636**	**2,718**	**20,035**	**21,390**

The contractual cash flows of loan instalments and interests at 31 December 2020 were the following :

1,000 EUR	1–3 months	4 months–1 year	2–5 years	5 years ->
Loans from financial institutions	298	901	18,207	10,772
Lease liabilities incl. interest	249	719	2,768	11,763
Trade payables	5,171			
Interest to financial institutions	191	905	2,283	1,108
Total	**5,909**	**2,524**	**23,258**	**23,643**

The long term loan from Ilmarinen includes condition that the company pays premature repayments 30% of free cash flow. According to the agreement, free cash flow is calculated by deducting financial expences, loan repayments and working capital investment from the operative cash flow. The loan amount as at 31 December 2021 is 7,644 thousand euros (8,000 thousand euros as at 31 December, 2020.).

The 5 million euro loan from Ilmarinen was paid back in November 2021. The group has a new 3.5 million euro loan with a fixed amortization schedule from Oma Säästöpankki Oyj. The agreement includes a covenant that the credit rating of no individual group company can decrease below Alfa Rating A and the group equity ratio should be over 20% at each financial statement date during the loan period.

Nurminen Logistics Oyj and Nurminen Services Oy have opened credit limits in Oma Säästöpankki Oyj with the maximum amount of 3 million euros. The limit was not in use as of 31 December, 2021 (as of 31 December, 2020 the use of the limit was 61 thousand euros, included in the short-term interest-bearing liabilities).

Changes in long-term interest bearing debts

	1.1.2021	Cash flows from additions	Cash flows from disposals	Divestments	Other changes	31.12.2021
Long-term liabilities, interest bearing	28,918	3,500	–5,000	0	–2,312	25,106
Long-term leasing liabilities, interest bearing	9,829	0	0	0	–618	9,211
Total	**38,747**	**3,500**	**–5,000**	**0**	**–2,931**	**34,317**

Changes in short-term interest bearing debts

	1.1.2021	Cash flows from additions	Cash flows from disposals	Divestments	Other changes	31.12.2021
Short-term liabilities, interest bearing	1,846	0	–2,202	0	2,280	1,924
Short-term leasing liabilities, interest bearing	637	0	–644	0	683	676
Total	**2,483**	**0**	**–2,845**	**0**	**2,963**	**2,600**

Changes in long-term interest bearing debts

	1.1.2020	Cash flows from additions	Cash flows from disposals	Divestments	Other changes	31.12.2020
Long-term liabilities, interest bearing	13,041	0	–9	15,886	0	28,918
Long-term leasing liabilities, interest bearing	26,859	0	0	–17,016	–14	9,829
Total	**39,900**	**0**	**–9**	**–1,130**	**–14**	**38,747**

Changes in short-term interest bearing debts

	1.1.2020	Cash flows from additions	Cash flows from disposals	Divestments	Other changes	31.12.2020
Short-term liabilities, interest bearing	781	61	–195	1,199	0	1,846
Short-term leasing liabilities, interest bearing	2,321	0	–2,329	170	475	637
Total	**3,102**	**61**	**–2,524**	**1,369**	**475**	**2,483**

CREDIT RISK

Maximum exposure to credit risk	1 000 EUR
2021	14,101
2020	6,779

Aging of trade receivables

1,000 EUR	Not past due	Past due less than 30 days	Past due 30–120 days	Past due over 120 days	Total
2021	11,915	1,592	445	149	14,101
2020	4,670	1,591	492	26	6,779

Nurminen Logistics has no significant concentrations of credit risk.

26. Other leases

The Group as lessee

Lease liabilities for off-balance sheet leases where the value of the asset group is insignificant or short-term:

1,000 EUR	2021	2020
Less than one year	397	635
Between one and five years	94	301
Total	**491**	**937**

Leases in scope of the 1.1.2019 adopted IFRS 16 standard are recognised as right of use assets in property, plant and equipment and as lease liabilities. Otherwise Nurminen Logistics leases as a lessee mainly IT equipment, office automation equipment, vehicles and cargo handling machines used in terminals.

27. Contingencies and commitments

1,000 EUR	2021	2020
Liabilities and contingent liabilities secured by corporate mortgages and pledges		
Loans from financial institutions	27,030	13,618
Customs duties and other guarantees	5,807	11,690
Credit accounts secured by corporate mortgages and pledges		
Amount of the limit	3,000	3,000
Unused amount of the limit	3,000	2,939
Pledges made on own behalf		
Book value of pledged subsidiary shares	43,766	43,766
Other pledges		745
Mortgages given on own behalf		
Business mortgages	25,500	19,500
Real estate mortgages	25,125	125
The Group as the lessor: Off-balance sheet lease guarantees		
Deposit surety valid 1 April 2021 – 1 April 2023 and then until further notice lease deposit, Kiinteistö Oy Luumäen Suoanttilantie 101	599	

28. Related party transactions

The company's related parties include the members of the Board of Directors and those of the Management Team as well as companies under their control. Related parties are also those shareholders that have direct or indirect control or significant influence in the Group as well as the associate companies. The business transferred to new John Nurminen in the demerger of John Nurminen Ltd is also considered to be related party.

Related party transactions with companies under control of Board members

1,000 EUR	2021	2020
Sales	577	68
Purchases	2,101	54
Short-term receivables	30	0

There are no liabilities from related parties at the balance sheet date.

Nurminen Logistics announced on 15 April 2021 CIO Petri Luurila's subscription announcements for 22,000 shares priced 1.32 euros/share. Nurminen Logistics announced on 28 July 2021 about the share-based payments to the board. The chairman of the board of directors Irmeli Rytkönen subscribed 26,432 shares, member of the board Juha Nurminen 13,216 shares, member of the board Olli Pohjanvirta 13,216 shares, member of the board Alexey Grom 13,216 shares, member of the board Victor Hartwall 13,216 shares, member of the board Karri Koskela 13,216 shares and member of the board Erja Sankari 13,216 shares with a share price of 1.135 euros/share.

Nurminen Logistics announced on 14–16 September 2021 the subscription announcements of board member Victor Hartwall for 23,699 shares with the average price of 1.1298 euros/share, 54,277 shares with the average price of 1.1158 euros/share, 4,840 shares with the price per share of 1.1225 euros/share, 6,453 shares with the price per share of 1.1225 euros/share, 62,095 shares with the average price of 1,117 euros/share, 12,714 shares with the average price of 1.1584 euros/share amd 1,492 shares for the price per share of 1.15 euros/share.

Nurminen Logistics announced on 19 October 2021 the subscription announcement of board member Juha Nurminen for 181,818 shares with price per share of 1.12 euros/share and CEO Olli Pohjanvirta's related party company ETL Invest Oy:s disposal announcement of 181,818 shares for price per share of 1.12 euros/share.

1,000 EUR	2021	2020
Management remuneration		
CEO, the members of the Board and the Executive Board		
Salaries and other short-term employee benefits	985	868
Statutory pension payments	191	107
Benefits due after termination of employment contract	2	215
Share-based payments	120	60
Total	**1,298**	**1,250**

CEO has been paid a share-based reward partly in company shares (774,386 shares) and partly in cash (1,247 thousand euros). Cash amount is for covering the tax and tax related costs to the CEO. See note 22. for more information about share-based rewards.

1,000 EUR	2021	2020
Salaries and wages		
CEO		
Olli Pohjanvirta (from 25.5.2020)	414	202
Tero Vauraste (until 25.5.2020)	0	117
Members of the board		
Alexey Grom	33	29
Hannu Leinonen (until 28.5.2020)	0	25
Juha Nurminen	38	35
Jukka Nurminen	26	39
Olli Pohjanvirta	53	106
Irmeli Rytkönen	58	36
Erja Sankari	15	0
Karri Koskela	15	0
Victor Hartwall	15	0
	667	589

Members of the Board and CEO owned 29,6 % of company shares on 31 December 2021 either directly or indirectly through companies under their control.

29. Acquisitions and divested businesses

There was no acquisitions or divestments during the financial year 2021.

Nurminen Logistic Services Oy acquired PFC Nordic Oy in April 2020.

Nurminen Logistics Plc bought majority share of shares in Kiinteistö Oy Helsingin Satamakaari 24 in December 2020. The company had at acquisition date property amounting to EUR 34,153 thousand, other short-term receivables EUR 106 thousand, equity EUR 17,173 thousand and long-term and short-term liabilities EUR 17,085 thousand. The IFRS 16 lease agreements of the company amounted to 7,323 thousand euros to right-of-use assets, 7,153 thousand euros to long-term lease liabilities and 170 thousand euros to short-term lease liabilities at the moment of acquisition.

30. Events after the balance sheet date

Nurminen Logistics announced on 1 February, 2022 that the Board of directors has decided, based on the authorization granted by shareholders on 12 April, 2021, on a free share issue of 774,386 new shares to the company based on Finnish Limited Liability Companies Act (624/2006) 9 chapter 20 §. After the share issue the total amount of company shares is 77,968,576, of which 839,648 shares are owned by the company. The shares were registered to the Finnish trade register on 15 February, 2022 and were granted to the CEO as the share-based reward on 16 February, 2022. After the share-based reward, the company owns 65,262 of it's own shares.

As a result of of the increase in the total number of shares, on 15 February 2022 Nurminen Logistics received a flagging notification from Ilmarinen Mutual Pension Insurance Company, the direct holding of which decreased from a total of 15.12 % to 14.95 %.

The invasion of Russian forces to Ukraine on 24 February, 2022 has increased geopolitical tensions. Sanctions imposed due to the war in Ukraine may affect the company's operations. The effects are expected to remain moderate, because the customer base of the China and Asia trains is not Russian. Impacts of sanctions targeting transit traffic would not negatively affect Russian, but European and Asian companies.

Distribution of ownership 31.12.2021

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of total shares and votes
1–100	1,298	31.7 %	60,234	0.08 %
101–1000	1,805	44.1 %	867,550	1.12 %
1 001–10 000	866	21.2 %	2,629,143	3 %
10 001–100 000	93	2.3 %	2,585,541	3 %
100 001–1 000 000	16	0.4 %	5,450,567	7 %
over 1 000 000	16	0.4 %	65,601,155	85 %
Total	**4,094**	**100.0 %**	**77,194,190**	**100 %**
Nominee registered	7	0.17 %	938,773	122 %

Largest shareholders 31.12.2021

	Number of shares	% of total shares and votes
Suka Invest Oy	12,485,655	16.2
Keskinäinen eläkevakuutusyhtiö Ilmarinen	11,655,795	15.1
K. Hartwall Invest Oy Ab	8,105,390	10.5
Nurminen Juha Matti	6,665,248	8.6
Avant tecno Oy	5,739,375	7.4
JN Uljas Oy	3,231,206	4.2
Ruscap Oy	3,110,574	4.0
Verman Group Oy	2,524,297	3.3
Assai Oy	1,858,540	2.4
H. G. Paloheimo Oy	1,765,386	2.3
Relander Pär-Gustaf	1,757,686	2.3
Cyberdyne invest Oy	1,735,454	2.2
Partnos Oy	1,577,686	2.0
Kukkonen Tuomas Sakari	1,198,227	1.6
Jocer Oy Ab	1,176,132	1.5
Nurminen Jukka Matias	1,014,504	1.3
Nurminen Mikko Johannes	810,777	1.1
Citibank Europe Plc	729,719	0.9
VGK invest Oy	648,000	0.8
Vertanen Janne Olavi	631,075	0.8
Other 4075 shareholders	8,773,464	11.4
Yhteensä	**77,194,190**	**100.0**

Shareholders by type 31.12.2021

	Number of shares	% of total shares and votes
Private companies	39,952,916	52 %
Financial institutions	5,025,576	7 %
Public sector organisations	11,655,795	15 %
Households	19,389,863	25 %
Foreign	228,464	0 %
Non-profit organisations	2,803	0 %
Registered in the name of nominee	938,773	1 %
Total	**77,194,190**	**100 %**

Parent Company's Income Statement

1,000 EUR	Note	2021	2020
NET SALES	1	**3,434**	**3,018**
Other operating income	2	3,209	1,124
Employee benefit expenses	3	–2,961	–1,591
Depreciation, amortisation and impairment losses	4	–516	–378
Other operating expenses	5	–4,254	–1,981
OPERATING RESULT		**–1,088**	**192**
Financial income and expenses	6	568	1,240
RESULT BEFORE APPROPRIATIONS AND TAXES		**–520**	**1,432**
Appropriations	7	3,840	149
Taxes	8	1,342	24
RESULT FOR THE YEAR		**4,662**	**1,604**

Parent Company's Balance Sheet

1,000 EUR	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets	1	1,378	1,665
Property, plant and equipment	1	29	29
Investments	2	45,190	45,190
Total non-current assets		**46,597**	**46,884**
Current assets			
Non-current receivables	3,5	1,342	220
Current receivables	3	8,087	5,216
Cash and cash equivalents		404	1,174
Total current assets		**9,834**	**6,610**
TOTAL ASSETS		**56,430**	**53,494**
EQUITY AND LIABILITIES			
Equity			
Share capital	4	4,215	4,215
Share premium reserve	4	86	86
Other reserves			
Legal reserve	4	2,374	2,374
Reserve for invested unrestricted equity	4	37,697	36,408
Retained earnings	4	–10,627	–12,232
Profit / loss for the financial year	4	4,662	1,604
Total equity		**38,406**	**32,456**
Liabilities			
Non-current liabilities			
Capital loan			1,250
Deferred tax liabilities			
Other non-current liabilities	6	10,250	13,159
Current liabilities			
Current liabilities	7	7,774	6,629
Total liabilities		**18,024**	**21,038**
TOTAL EQUITY AND LIABILITIES		**56,430**	**53,494**

Parent Company's Cash Flow Statement

1,000 EUR	Note	2021	2020
Cash flow from operating activities			
PROFIT / LOSS FOR THE YEAR		**4,662**	**1,604**
Adjustments			
Depreciation, amortisation and impairment losses	4	516	378
Financial income (–) and expenses (+)	6	–568	–1,240
Taxes	8	–1,342	–24
Group Contributions received	7	–3,840	–149
Other income and expenses with no cash flow effect		1,262	
Other adjustments		–6	–14
Cash flow before changes in working capital		**684**	**556**
Changes in working capital			
Current non-interest bearing receivables, increase (–) / decrease (+)		1,188	–2,939
Current liabilities, non-interest bearing, increase (+) / decrease (–)		–1,011	1,151
Net cash from operating activities before financial items and taxes		**862**	**–1,231**
Interest paid		–503	–492
Dividends received		1,173	917
Interest received		185	497
Other financial items		–294	–28
Cash flow from operating activities		**1,423**	**–337**
Cash flow from investing activities			
Investmests in tangible and intangible assets		–169	–141
Proceeds from property, plant and equipment and intangible assets		6	
Acquisition of subsidiaries and business operations		–173	–8,670
Cash flow from investing activities		**–337**	**–8,811**
Cash flow from financing activities			
Payments of non-current liabilities		–1,856	
Repayment of equity loans			–250
Proceeds from share issue			9,329
Cash flow from financing activities		**–1,856**	**9,079**
Change in cash and cash equivalents		**–770**	**–69**
Cash and cash equivalents at the beginning of the year		1,174	1,244
Change in cash and cash equivalents		–770	–69
Cash and cash equivalents at year-end		**404**	**1,174**

Notes to the Parent Company's Financial Statements

Accounting principles for the parent company's financial statements

The financial statements of Nurminen Logistic Plc are prepared in accordance with Finnish Accounting Standards (FAS).

Measurement of non-current assets

Items of property, plant and equipment and intangible assets are carried at cost less the planned depreciation / amortisation. They are depreciated / amortised over their estimated useful lives, which are the following:

- Intangible assets 3–5 years
- Other capitalised long-term expenditure 5–10 years
- Machinery and equipment 3–10 years
- Goodwill 5–10 years

The company's subsidiary shares and other shares in the investments in non-current assets are valued at acquisition cost or, if lower, at fair value. The fair value that are used as the basis for the valuation of subsidiary shares is based on management's valuation calculations of future cash flows of subsidiaries.

Measurement of receivables

Receivables are measured at the lower of nominal and estimated probable value.

Pensions

Pension costs are presented in accordance with national legislation in each country. The pension security of the Finnish personnel has been arranged through external pension insurance companies.

Foreign currency items

Foreign currency receivables and liabilities are translated into euro at the closing rate at the balance sheet date.

Related party transactions

During the financial year 2021, the company has invoiced rents from Skillpixels Oy worth of 1,200.00 euros. Skillpixels Oy is a related party of the CEO. The company has also invoiced ticket expenses from Russian Capital Management Oy (740.00 euros) which is a related party of the CEO. There are no open receivables from related parties as at balance sheet date.

Leases

Lease payments are accounted for as rental costs. Lease payments due in the future years under the agreements are presented under contingencies and commitments.

Number of shares and directed issues

The company conducted one share issue and conversion of hybrid bond to shares during the financial year. The amount of shares is 77,194,190 after these transactions as at balance sheet date 31.12.2021.

	Number of shares
31.12.2020	**74,212,667**
Hybrid bond conversion to shares in July 2021*	2,875,795
Directed free share issue in July 2021**	105,728
31.12.2021	**77,194,190**

* Pension insurance company Ilmarinen convered the remaining 1.25 million euro hybrid bond to shares in the summer of 2021.
** Directed share issue to the company itself without consideration.

The company's shares have no nominal value.
The maximum share capital of the company is EUR 4,215 thousand.
The company held 65,262 of its own shares at 31 Dec 2021.

Notes to the Income Statement

1,000 EUR	2021	2020
1. Net sales		
Sale of services	3,434	3,018
Total	**3,434**	**3,018**
2. Other operating income		
Rent income	3,173	1,124
Other	36	
Total	**3,209**	**1,124**
3. Disclosures for personnel and members of company organs		
Employee benefit expenses		
Wages and salaries	–2,705	–1,389
Pension expenses and pension contributions	–222	–171
Other social security costs	–34	–31
Total	**–2,961**	**–1,591**
4. Depreciation, amortisation and impairment losses		
Intangible rights		
Other capitalised long-term expenditure	–387	–378
Buildings	–129	
Total	**–516**	**–378**
5. Other operating expenses		
Other operating expenses	–4,254	–1,981
Total	**–4,254**	**–1,981**
Auditors' fees		
Audit fees	–90	–94
Other fees paid to auditors	–27	–13
Total	**–117**	**–107**
6. Financial income and expenses		
Dividend income		
Dividend income from Group companies	1,173	1,524
Total	**1,173**	**1,524**
Interest and other financial income		
Interest from group companies	184	497
Total	**185**	**497**
Interest and other financial expenses		
Interest to group companies		–3
Interest and other financial expenses to others	–789	–778
Total	**–789**	**–782**
Total financial income and expenses	**568**	**1,240**
7. Appropriations		
Received Group Contributions	3,840	149
5. Deferred taxes and 8. Income taxes		
Losses of parent company from previous financial years	8,948	15,196
Confirmed losses will expire in 2022-2029		
Deferred tax assets on losses from previous financial years	1,790	3,039
Change in deferred tax liabilities	1,342	24

The deferred tax assets have been recognized in the parent company financial statements for 75% of their value during the financial year 2021.

Notes to the Balance Sheet

1,000 EUR	2021	2020
1. Property, plant and equipment and intangible assets		
Intangible rights:		
Cost at 1 Jan	149	148
Additions		1
Cost at 31 Dec	149	149
Accumulated planned amortisation at 1 Jan	–147	–147
Accumulated planned amortisation at 31 Dec	–148	–147
Carrying amount at 31 Dec	**2**	**2**
Other capitalised long-term expenditure		
Cost at 1 Jan	3,191	3,058
Additions	83	133
Disposals	–129	
Cost at 31 Dec	3,144	3,191
Accumulated planned amortisation at 1 Jan	–1,535	–1,157
Amortisation for the year	–386	–378
Accumulated planned amortisation at 31 Dec	–1,921	–1,535
Carrying amount at 31 Dec	**1,223**	**1,656**
Prepayments and unfinished acquisitions		
Cost at 1 Jan	7	
Additions	224	180
Disposals and transfers between asset categories	–79	–173
Cost at 31.12.	153	7
Carrying amount at 31 Dec	**153**	**7**
Land area		
Cost at 1 Jan	22	22
Carrying amount at 31 Dec	**22**	**22**
Other tangible assets		
Cost at 1 Jan	9	9
Cost at 31.12.	9	9
Accumulated planned depreciation at 1 Jan	–1	–1
Accumulated planned depreciation at 31 Dec	–1	–1
Carrying amount at 31 Dec	**8**	**8**

1,000 EUR	2021	2020
2. Investments		
Holdings in Group companies		
Cost at Jan 1	13,934	5,091
Additions		8,843
Carrying amount at 31 Dec	**13,934**	**13,934**
Investments in reserve for invested unrestricted equity of Group companies		
Cost at Jan 1	31,031	23,352
Additions		7,680
Carrying amount at 31 Dec	**31,031**	**31,031**
Holdings in associates		
Cost at Jan 1	204	204
Carrying amount at 31 Dec	**204**	**204**
Other shares and holdings		
Cost at Jan 1	21	21
Carrying amount at 31 Dec	**21**	**21**
Total	**45,190**	**45,190**

	Domicile	Share of ownership %
Subsidiaries		
RW Logistics Oy	Finland	100
Nurminen Logistics Services Oy	Finland	100
Kiinteistö Oy Kotkan Siikasaarentie 78	Finland	100
Kiinteistö Oy Luumäen Suoanttilantie 101	Finland	100
Kiinteistö Oy Vainikkalan Huolintatie 13	Finland	100
OOO Nurminen Logistics	Russia	100
Nurminen Maritime Latvia SIA	Latvia	51
Nurminen Maritime UAB	Lithuania	51
Kiinteistö Oy Helsingin Satamakaari 24	Finland	51
Associates and joint ventures		
NR Rail Oy	Finland	51
Pelkolan Terminaali Oy	Finland	20

The equity-accounted investee NR Rail Oy is in liquidation proceedings.

1,000 EUR	2021	2020
3. Receivables		
Non-current		
Deferred tax receivables	1,342	
Advance payments		220
Total	**1,342**	**220**
Current		
Current receivables from Group companies	1,853	4,330
Group contribution receivables	3,840	
Trade receivables	2,166	777
Other receivables	63	
Total	**7,923**	**5,107**
Prepayments and accrued income		
Prepaid expenses	132	80
Other current receivables	32	28
Total	**165**	**108**
Total current receivables	**8,087**	**5,216**
4. Equity		
Share capital total	4,215	4,215
Share premium reserve	86	86
Legal reserve	2,374	2,374
Restricted equity	**6,675**	**6,675**
Reserve for invested unrestricted equity at 1 Jan	36,408	27,079
Share issue		9,329
Hybrid bond conversion to shares	1,288	
Reserve for invested unrestricted equity at 31 Dec	37,697	36,408
Retained earnings	–10,627	–12,232
Profit / loss for the year	4,662	1,604
Unrestricted equity	**31,732**	**25,781**
Equity total	**38,406**	**32,456**
Distributable funds		
Reserve for invested unrestricted equity	37,697	36,408
Retained earnings	–10,627	–12,232
Profit / loss for the year	4,662	1,604
Total	**31,732**	**25,781**

The company owns 65,262 of its own shares.

6. Non-current liabilities		
Capital loan		1,250
Loans from financial institutions	10,144	13,000
Other liabilities	106	159
Total	**10,250**	**14,409**
Total non-current liabilities	**10,250**	**14,409**

1,000 EUR	2021	2020
7. Current liabilities		
Current liabilities to Group companies		
Trade payables	219	485
Other liabilities	4,121	3,971
Accrued expenses and deferred income		6
Total	**4,340**	**4,462**
Current liabilities to others		
Loans from financial institutions	1,000	
Total	**1,000**	
Non-interest bearing liabilities		
Trade payables	506	529
Other liabilities	148	355
Accrued expenses and deferred income		
Employee benefit expense accruals	347	363
Interest accruals	30	
Other items	1,403	920
Total	**2,434**	**2,167**
Total current liabilities	**7,774**	**6,629**

Other notes

1,000 EUR	2021	2020
Liabilities and contingent liabilities secured by corporate mortgages and pledges		
Loans from financial institutions	11,144	13,000
Customs duties and other guarantees	1,307	1,790

The long term loan from Ilmarinen includes condition that the company pays premature repayments 30% of free cash flow. According to the agreement, free cash flow is calculated by deducting financial expences, loan repayments and working capital investment from the operative cash flow. The loan amount as at 31 December 2021 is 7,644 thousand euros (8,000 thousand euros as at 31.12.2020)

The 5 million euro loan from Ilmarinen was paid back in November 2021. The company has a new 3.5 million euro loan with a fixed amortization schedule from Oma Säästöpankki Oyj. The signed agreement with Oma Säästöpankki Oyj includes a covenant that the credit rating of no individual group company can decrease below Alfa Rating A and the group equity ratio should be over 20% at each financial statement date during the loan period.

	2021	2020
Credit accounts secured by corporate mortgages and pledges		
Credit limit	1,000	1,000
Unused credit limit	1,000	1,000
Guarantees given on behalf of companies belonging to the same group		
Book value of pledged subsidiary shares	43,766	43,766
Mortgages given on own behalf		
Business mortgages	15,500	19,500
Rental guarantees		
Deposit 1 April 2021 – 1 April 2023, after which can be resigned on a separate notice	599	
Rental guarantee Kiinteistö Oy Luumäen Suoanttilantie 101		
Rental obligations		
Payable in next year	2,570	2,491
Payable after that	14,137	16,193
Amounts payable under leases		
Payable in next year	106	189
Payable after that	8	114

Notes Regarding Personnel and Company Organs

	2021	2020
The number of personnel		
Personnel, average	15	14
Personnel, at year-end	11	15
Management remuneration (1,000 EUR)		
The Board of Directors and CEO	667	589

Parent Company's Key Figures

Key figures for business

	2019	2020	2021
Net sales, 1 000 EUR	2,203	3,018	3,434
Operating result, (EBIT) 1,000 EUR	–1,345	192	–1,088
Adjusted operating result, (EBIT) 1,000 EUR*			174
% of net sales	–61.1 %	6.4 %	–31.7 %
Adjusted % of net sales*			5.1 %
Result for the financial year, 1,000 EUR	–3,835	1,604	4,662
Adjusted result for the financial year, 1,000 EUR**			742
% of net sales	–174.1 %	53.2 %	135.8 %
Adjusted % of net sales**			21.6 %
Return on equity (ROE) %	–16.4 %	5.9 %	13.2 %
Return on investment (ROI) %	–7.3 %	5.4 %	0.6 %
Adjusted return on investment (ROI) %*			3.2 %
Equity ratio %	51.8 %	60.7 %	68.1 %
Gearing %	54.3 %	36.4 %	28.0 %
Wages and salaries paid, EUR 1,000	1,292	1,389	2,705
Adjusted wages and salaries paid, EUR 1,000*			1,443
Average number of employees	15	14	15

* The comparability to other financial periods has been taken into considerations with the key figures. Adjusted figure includes non-recurring management remuneration that is not part of normal business operations.

** Adjusted figure includes non-recurring management remuneration, group contribution and change in deferred tax assets.

The Board's proposal for the distribution of profit, signatures of the Board's report on operations and financial statements and auditor's note

THE BOARD'S PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The unrestricted equity of the parent company as at 31 December, 2021 is 31,731,856.32 euros, of which the result of the year 2021 is 4,662,387.55 euros. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.019 be paid on the outstanding 77,903,314 shares resulting in a total amount of proposed dividend of EUR 1,480,162.97. The remaining non-restricted equity are retained and carried forward.

The Board proposes that the dividends be paid in two instalments, first instalment on 22 April, 2022. All the shares existing on the dividend record date 13 April, 2022 are entitled to dividend for the year 2021 except for the own shares held by the parent company. The record date of the second instalment is to proposed to be 9 September, 2022 and the instalment is to be paid on 16 September, 2022.

SIGNATURES OF THE BOARD'S REPORT ON OPERATIONS AND FINANCIAL STATEMENTS

Helsinki

Irmeli Rytkönen
Chairman of the Board

Olli Pohjanvirta
CEO

Alexey Grom

Erja Sankari

Juha Nurminen

Victor Hartwall

Karri Koskela

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Helsinki 2.3.2022
Ernst & Young Oy
Authorized Public Accountant Firm

Juha Hilmola
Authorized Public Accountant

Auditor's Report

To the Annual General Meeting of Nurminen Logistics Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nurminen Logistics Plc (business identity code 0109707-8) for the year ended 31 December 2021. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 4 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Deferred tax assets *Refer to note summary of significant accounting policies and note 18.* As of balance sheet date 31 December 2021, the group had deferred tax assets arising from the unused tax losses carry forward amounting to 6.6 M€. The amount of deferred tax asset is material to financial statements. Management assessment related to the recognition of deferred tax assets and the likelihood of future income includes judgements relating to assumptions affected by future market and economic developments. Due to above mentioned judgmental factors, valuation of deferred tax assets was determined to be a key audit matter.	When auditing deferred tax assets we evaluated company's evidence that there will be future taxable income available to utilize the deferred tax assets. As part of our audit procedures we • assessed the key assumptions in the calculations prepared by the management focusing on forecasted future economic development and the company's ability to generate taxable income. • tested deferred tax assets including the assessment of recognizing judgmental tax positions. We reviewed the communication with tax authorities. • assessed disclosures related to deferred taxes.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition *We refer to the accounting principles for the consolidated financial statements in the note 1 of the consolidated financial statements, note 2 segment information and the note 19 trade and other receivables. .* Revenue recognition is considered as a key audit matter because revenues are a key financial performance measure which could create an incentive for revenues to be recognized prematurely. Relevant areas from the net sales perspective are accuracy of the recognized amounts and timing of revenue recognition. Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10 (2). due to the identified risk of material misstatement in timely revenue recognition.	Our audit procedures to address the risk of material misstatement included • the analysis of the revenue recognition accounting policies and • comparison of revenue transactions to the supporting documentation in order to assess whether the requirements for the revenue recognition have been met. In addition, we requested external trade receivable confirmations, tested general ledger journal entries on a sample basis as well as performed analytical procedures in order to identify abnormal entries. We also assessed the sufficiency of the revenue recognition disclosures in respect of the IFRS 15 standard.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of subsidiary investments *We refer to the accounting principles of the parent company and to the note 2 of the balance sheet of the parent company.* Valuation of subsidiary investments is considered as a key audit matter because of the judgment involved in the valuation process and because the subsidiary investments are significant to the parent company balance sheet. The carrying value of subsidiary investments as of the balance sheet date 31 December 2021 amounted to 45.2 million euros. These investments represented some 80 % of the total assets and some 118 % of the total equity. Valuation of subsidiary investment requires management to make an assessment whether • there are indicators that the investments are permanently impaired, and • what the probable value of investments is at year-end.	We involved EY valuation specialists to assist us in evaluating the methodologies, calculations and assumptions applied by the management in the valuation of parent company’s subsidiary investments. The assumptions applied by the management were compared to • approved budgets and long-term forecasts by the management, • information available in external sources, as well as • our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company’s and the group’s ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 12 April 2016, and our appointment represents a total period of uninterrupted engagement of 6 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information.
The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 2 March 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Juha Hilmola
Authorized Public Accountant

Bridge calculation of comparable net sales

1,000 EUR	7–12/2021	7–12/2020	1–12/2021	1–12/2020
Net sales	78,268	44,227	141,254	80,707
PFC Nordic Oy*		–933		–2,123
Comparable net sales	78,268	43,294	141,254	78,584

* PFC Nordic had no net sales in 2021

Group's key figures

Key figures for business

	2019	2020	2021
Net sales, EUR 1,000	69,340	80,707	141,254
Increase in net sales, %	–12.1 %	16.4 %	75.0 %
Operating result (EBIT), EUR 1,000	–8,517	–206	9,625
% of net sales	–12.3 %	–0.3 %	6.8 %
Result before taxes, EUR 1,000	–10,864	–2,438	7,825
% of net sales	–15.7 %	–3.0 %	5.5 %
Result for the financial year, EUR 1,000	–11,433	–2,837	13,776
% of net sales	–16.5 %	–3.5 %	9.8 %
Return on equity (ROE), %	–163.9 %	–38.8 %	69.5 %
Return on investment (ROI), %	–22.4 %	–0.4 %	16.7 %
Equity ratio %	1.5 %	20.9 %	31.7 %
Gearing %	4849.1 %	266.1 %	115.9 %
Gearing % excluding IFRS 16	1517.0 %	189.4 %	77.1 %
Interest-bearing net debt, 1,000 EUR	38,948	36,759	29,914
Interest-bearing net debt exluding IFRS 16, 1,000 EUR	9,768	26,293	20,027
Gross investments, EUR 1,000	722	8,827	341
% of net sales	1.0 %	10.9 %	0.2 %
Balance sheet total, EUR 1,000	52,088	66,179	81,705
Average number of employees	176	163	145
Wages and salaries paid, EUR 1,000	9,196	8,430	8,558
Share key figures			
Earnings per share (EPS), EUR, undiluted	–0.29	–0.09	0.16
Earnings per share (EPS), EUR, diluted	–0.29	–0.09	0.15
Equity per share, EUR	–0.02	0.05	0.20
Dividend per share, EUR	0.00	0.00	0.019
Dividend to earnings ratio, %	0.0 %	0.0 %	12.7 %
Effective dividend yield, %	0.0 %	0.0 %	1.0 %
Repayment of equity per share, EUR	0.00	0.00	0.00
Price per earnings (P/E)	–1	–5	12
Number of shares adjusted for share issue (diluted), weighted average	44,304,976	44,652,887	77,843,064
Number of shares adjusted for share issue (diluted), at end of financial year	44,538,914	74,147,405	77,903,314
Number of shares adjusted for share issue (undiluted), weighted average	44,304,976	44,652,887	75,540,173
Number of shares adjusted for share issue (undiluted), at end of financial year	44,538,914	74,147,405	77,128,928
Share price development			
Share price development			
Highest price	0.44	0.50	2.85
Lowest price	0.26	0.20	0.39
Average price	0.30	0.31	1.16
Closing share price at balance sheet date	0.27	0.45	1.96
Market capitalisation, MEUR	11.9	33.1	150.9
Number of shares traded	1,802,568	6,891,409	20,779,826
Shares traded, % of total number of shares	4.0 %	9.3 %	25.0 %
Number of shareholders	1,320	1,580	4,095

Calculation of Key Figures

$$\text{Return on equity, \%} = \frac{\text{Result for the year}}{\text{Equity (average of beginning and end of financial year)}} \times 100$$

$$\text{Capital employed} = \text{Balance sheet total – non-interest bearing liabilities}$$

$$\text{Return on capital employed, \%} = \frac{\text{Result for the year before taxes + interest and other financial expenses}}{\text{Capital employed (average of beginning and end of financial year)}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}} \times 100$$

$$\text{Gearing (\%) exluding IFRS 16} = \frac{\text{Interest-bearing liabilities exluding IFRS 16 – cash and cash equivalents}}{\text{Equity exluding IFRS 16 effect on equity (depreciation, rental expense and interest expense)}} \times 100$$

$$\text{Interest-bearing net debt} = \text{Interest-bearing liabilities – long-term interest bearing receivables – cash and cash equivalents}$$

$$\text{Interest-bearing net debt excluding IFRS 16} = \text{Interest-bearing liabilities excluding IFRS 16 – long-term interest bearing receivables – cash and cash equivalents}$$

$$\text{Earnings per share (EPS)} = \frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of ordinary shares outstanding}}$$

$$\text{Equity per share} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Undiluted number of shares outstanding at the end of the financial year}}$$

$$\text{Dividend per earnings, \%} = \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

$$\text{Effective dividend yield, \%} = \frac{\text{Dividend per share}}{\text{Adjusted share price at the end of the financial year}} \times 100$$

$$\text{Price per earnings (P/E)} = \frac{\text{Share price at the end of the financial year}}{\text{Earnings per share}}$$

$$\text{Dividend per share} = \frac{\text{Dividend payable for the reporting period}}{\text{Share issue and conversion-adjusted weighted average number of shares – own shares}}$$

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